Daily Report

East Europe

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FBIS-EEU-93-199 *18 October 1993*

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Papers Issue Statement Against Press Law

AU1710162793 Tirana ZERI I POPULLIT in Albanian 15 Oct 93 p 1

[Unattributed editorial: "Albanian Newspapers on 48-Hour Strike—We Protest the Press Law and Call on the President of the Republic, Mr. Sali Berisha, To Send This Law Back to the People's Assembly for Reconsideration"]

[Text] Tomorrow a large number of national and local newspapers will start a 48-hour strike in protest against the Press Law. The newspapers taking part in this strike will not be published tomorrow or the day after. The newspapers are:

1. KOHA JONE (independent newspaper)
2. POPULLI PO (independent newspaper)
3. LAJMETARI (independent newspaper)
4. DITA INFORMACION (independent newspaper)
5. ADRIATIKU (independent local newspaper of Durres)
6. JAVA (independent local newspaper of Gjirokaster, Tepelene, and Permet)
7. SHQIP (independent newspaper)
8. ZERI I POPULLIT (Socialist Party newspaper)
9. ALEANCA (Democratic Alliance newspaper)
10. ALTERNATIVA SD (Social Democratic Party newspaper)
11. 24 ORE (Socialist newspaper)

Note: KOHA JONE and LAJMETARI will not be published on Tuesday [19 October].

Announcing their strike, the aforementioned newspapers have issued the following statement:

Statement

We, the editorial boards of KOHA JONE, POPULLI PO, LAJMETARI, DITA INFORMACION, SHQIP, ADRIATIKU, JAVA, ZERI I POPULLIT, ALEANCA, ALTERNATIVA SD, and 24 ORE, have decided to suspend the publication of our newspapers for two days, Saturday and Sunday [16-17 October], in order to protest the Press Law that was hastily approved by the deputies of the parliamentary majority on Monday 11 October.

This law's restrictions on the release of information aim to smother Albanian journalism. The sanctions and penalties anticipated under this law threaten the existence of a free press. With its fines of up to $8,000, this law can in practice at any time declare the bankruptcy of any impoverished Albanian newspaper. This law is at pains to defend only the state and has the precise aim of turning the press into an appendage of the state. With this law, the freedom of the press in Albania—this most prized victory of democracy—has suffered a severe blow that will be felt not only by newspapers but by the whole of Albanian society.

We protest this law. We voice our indignation that none of our comments and suggestions about the bill were taken into consideration.

Through this statement, we call on the president of the Republic, Mr. Sali Berisha, to use the powers granted to him by the Constitutional Dispositions in order to send the Press Law back to the People's Assembly for reconsideration. The Press Law could be redefined according to progressive democratic standards, with more love for the written word, more responsibility and coolheadedness, and with greater farsightedness.

Through this statement, we also call upon our colleagues of Radio-Television and other newspapers to express their solidarity with our protest in the ways that they think best.

Tirana, 14 October 1993.

Japan Grants $20-Million Agricultural Credit

AU1610153293 Tirana ATA in English 1313 GMT 16 Oct 93

[Text] Tirana, October 16 (ATA)—The Japanese Government has extended Albania an agricultural sector credit worth 2 billion and 166 million yen (20 million dollars), ATA learned yesterday from the Ministry of Finance and Economy. The loan has been made under very favorable conditions (one percent interest and repayment to be over 30 years beginning in 2003).

The loan will serve to finance the agricultural adjustment program undertaken by the Albanian Government in cooperation with the World Bank and other donors.

Daskalov, NATO Delegation Discuss Yugoslav Crisis

AU1510142393 Sofia BTA in English 2207 GMT 14 Oct 93

[Text] Sofia, October 14 (BTA)—Today Bulgaria's Foreign Minister Stanislav Daskalov received the delegation of NATO's Political Committee led by Mr. Allen Kiswetter, deputy assistant secretary general for political affairs.

The minister confirmed Bulgaria's readiness for complete integration with and membership in NATO. Stress was laid on this country's principled position on making a contribution to the preservation of stability in the region.

The delegation of NATO's Political Committee was acquainted with the adverse effects which the implementation of sanctions against Serbia and Montenegro has on the Bulgarian economy and with the actions taken by the government to cope with the situation.

There was a comprehensive exchange of views on the situation in the Balkans in general and on finding a way to resolve the crisis in the former Yugoslavia in particular.

The Political Committee officials familiarized the Bulgarian side with the processes concerning the formulation of NATO's new philosophy and the discussions on the future of the organization.

The delegation of NATO's Political Committee was received by Defence Minister Valentin Aleksandrov and Army General Lyuben Petrov, chief of the General Staff of the Bulgarian Army.

The defence minister informed the guests about the political and military aspects of the Bulgarian military doctrine and the cooperation with Bulgaria's neighbours Greece and Turkey, both of them members of NATO. Minister Aleksandrov set out in detail the arguments for Bulgaria's admission to the structures of NATO.

The chief of the General Staff acquainted the delegation with the course of the reform in the Bulgarian Army and its role as a stabilizing factor and a guarantor for the irreversibility of the democratic processes in the country.

The enlargement of NATO and the admission of new members is a problem which is not on the agenda of the present work of NATO's different structures, the members of the Political Committee delegation said at a meeting with the parliamentary Committees on Foreign Policy and National Security held at the National Assembly.

The representative of Germany in the delegation stressed that it would be possible to include the problem of NATO's enlargement in the discussions within the framework of the organization solely by decision of the high level meeting of the member-countries to be held in January next year.

The MP's who attended the meeting at the National Assembly, presided by National Security Committee Chairman Nikolay Slatinski, received the guests' answers to a number of questions about NATO's position on the events in the former Yugoslavia and NATO's future actions for guaranteeing security in Europe and the Balkans.

The participating socialist MP's expressed the opinion that after the disintegration of the Warsaw Treaty Organization, some provisions contained in the Vienna Accords on the Reduction of Conventional Arms in Europe should be reconsidered: They do not include the Army of former Yugoslavia, which may become a factor undermining security in the Balkans. NATO's officials agreed that the problem should really be resolved within the framework of the Vienna Accords by the respective international bodies. However, the guests expressed the view that the problem of regional measures for confidence-building and conventional arms in the Balkans, covering the Yugoslav Army by the Vienna Accords included, could find its comprehensive solution only after the settlement of the Yugoslav crisis. NATO's officials said that in the opinion of the organization, at the present stage the "ceilings" on conventional armament agreed upon in Vienna should not be questioned.

The delegation of NATO's Political Committee had also a meeting with the Atlantic Club.

Delegation Ends Visit

AU1610130993 Sofia BTA in English 1829 GMT 15 Oct 93

[Text] Sofia, October 15 (BTA)—The relations between Bulgaria and NATO are seeing a steady progress, said members of the delegation of NATO's Political Committee at a meeting at the president's office today. They further on commended Bulgaria's strict enforcement of the Yugoembargo and its overall approach, describing it as a contribution to the containment of the war. The delegation, which made a three-day visit at an invitation by the Bulgarian Foreign Ministry, today left this country.

The director of President Zhelev's office, Ivaylo Trifonov stressed that relations with NATO were a foreign policy priority for Bulgaria.

The sides discussed ways to stabilize the region after the end of the conflict in Bosnia-Herzegovina.

According to General Stefan Dimitrov, head of the president's Military Office, democratic Europe should as early as now work out a plan to exercise effective control over arms in the newly-independent republics of the former Yugoslavia.

The delegation, led by Allen Kiswetter, deputy assistant secretary general for political affairs of NATO, yesterday met with parliament's Foreign Policy and National Security committees and members of the Atlantic Club. It held talks with Bulgaria's ministers of Foreign Minister

Stanislav Daskalov and Defense Valentin Aleksandrov and with the chief of the Bulgarian Army General Staff, Army General Lyuben Petrov. At the talks Bulgaria reiterated its readiness for complete integration and membership in NATO.

NATO is still seeking the right answer to guarantee security in Europe in the new environment. Only the governments of all member states can decide on a probable expansion and admittance of new members, said Mr. Kiswetter today.

Minutes before his departure, he told the press he was pleased with his talks with government leaders. He said he was especially pleased with Bulgaria's compliance with the UN decisions on the crisis in the former Yugoslavia and thought that was a good basis for future contacts.

The official categorically stated that NATO did not differentiate among the former socialist states. He said the alliance only now faced the problem of increasing the number of members and its structures had not officially addressed it. Such a debate could start only after the meeting of the state and government leaders of NATO member countries next January, he said.

Matinchev Returns From Paris Conference

AU1610212093 Sofia Khorizont Radio Network in Bulgarian 1700 GMT 16 Oct 93

[Statement by Evgeni Matinchev, deputy prime minister and minister of labor and social welfare, to Sonya Subcheva in Sofia—live or recorded]

[Text] [Announcer] Evgeni Matinchev, deputy prime minister and minister of labor and social welfare, has returned from Paris, where he participated in the 23d session of the Conference of Ministers in Charge of Family and Children's Problems.

Upon his arrival, he stated the following to our correspondent Sonya Subcheva:

[Matinchev] After the conference, I participated in a news conference with Mrs. Catherine Lalumiere, after which I gave my own news conference for the French media at the Bulgarian Embassy.

I must tell you that the correspondents' questions hardly touched upon the subject of the conference. They were interested in Bulgaria's political relations with its neighbors and asked about the losses caused by the embargo. After the recent speeches delivered by President Zhelev and Prime Minister Berov on the problem, the foreign media really seem to be interested in that particular issue.

I noticed an exceptionally positive—I would even say benevolent—attitude toward our country in France. They wanted to know about the structural reforms and privatization in our country and about land restitution, of course. The correspondents asked me quite frankly: How does the embargo interfere with a speedier implementation of the reforms in your country? First of all, I had to explain the direct link between the two questions—namely between privatization and structural reform—and then express my sincere disappointment that the processes in Bulgaria are really delayed by the embargo.

Mikhaylov Provides Data on Illegal Immigrants

AU1510184693 Sofia BTA in English 1424 GMT 15 Oct 93

[Text] Sofia, October 15 (BTA) - "The exact number of persons staying unlawfully in this country cannot be determined. When the police discovers such persons it is helpless because in most cases it does not dispose of the necessary funds for expelling them from this country," Interior Minister Viktor Mikhaylov said in parliament today in response to an interpellation.

He added that in 1992 the number of unlawfully staying foreigners amounted to about 14,000. Only 73 foreigners were expelled using the funds of the Ministry of the Interior. 542 Foreigners were warned to leave. The police authorities have fined 6,876 violators of the passport and visa regulations, the total sum of the collected fines amounting to 2,650,000 leva which were transferred to the national budget.

Interior Minister Mikhaylov said that unlawfully staying foreigners arrive in Bulgaria as tourists but their real goal is to emigrate due to economic, ethnic, religious or other reasons to the states of Western Europe. Some of them destroy their documents and buy stolen or lost passports, he added pointing out that the police has arrested several criminal groups engaged in the illegal taking out of foreigners from this country.

Having found themselves in a grave financial difficulties, a considerable part of the unlawfully staying foreigners perpetrate various administrative and currency exchange offenses. Often the foreigners themselves become victims of crimes, the interior minister said.

The lack of legal framework corresponding to the new economic conditions in Bulgaria and the legislation of the European countries, the eased visa regulations maintained by Bulgaria are among the reasons for the unlawful staying of foreigners in this country, Interior Minister Mikhaylov believes.

He added that in 1992 Bulgaria was visited by 6,359,545 foreigners. By the beginning of this October the number of foreigners staying permanently in Bulgaria was 30,717 and the number of foreigners staying temporarily in Bulgaria was 26,706.

Bosevski Urges Parliament To Pass Ecological Bills

AU1510184793 Sofia BTA in English 1400 GMT 15 Oct 93

[Text] Sofia, October 15 (BTA)—The Ministry of the Environment is drafting and will present in parliament a report on the state of the environment in Bulgaria in 1993, said Mr. Valentin Bosevski, minister of the environment, in parliament today in response to an interpellation. He also reported extensive data on the state of the environment in Bulgaria.

In 1992 environment protection was allocated 780 million leva, of which 168 million were budgetary funds, the gross domestic product being 150,000 million leva. This year's budget provides 370 million for environment protection while the needs for completing part of the started environment construction, controlled by the Ministry of the Environment alone exceed 600 million leva, environment Minister Bosevski said. He said that environment problems should find their place in the principal laws regulating the economy.

Environment Minister Bosevski said that in 1992 the total quantity of emissions into the atmosphere over Bulgaria was 1.6 million tonnes of sulfur oxide, 273,000 of nitrogen oxide and 78,000 tonnes of volatile organic compounds. According to Mr. Bosevski, the outlook for 1993 is no more promising - the sulfur dioxide released in the atmosphere will probably be 1.6 million tonnes and the nitrogenous oxides 330,000 tonnes.

The environment minister explained that a great part of the emitted sulfur dioxide is from burning fault lignite coal. Not a single thermo-electric power station in Bulgaria has desulphurization installations. Mr. Bosevski stressed the need for considerable investment into the construction of purification installations in oil refining, metallurgy and cement production.

Environment Minister Bosevski said that in Bulgaria there have emerged 17 regions the air over which contains different pollutants above the admissible levels. About 40 per cent of Bulgaria's population lives in these regions.

The environment minister also dwelled on the state of Bulgarian waters. 2.8 per cent of the Bulgarians are drinking water of a higher than the admissible level of nitrate content, 0.6 per cent of the Bulgarians are drinking water of higher than the admissible levels of heavy metals content and 33 per cent are drinking water in population centres of rationed water supply with all ensuing sanitary and epidemiological consequences, Mr. Bosevski said. Only ⅓ of the 187 sewerage systems in the municipalities have purification installations for waste waters. That is why the larger rivers running through Bulgarian territory (13) are quite polluted in their lower reaches, environment minister Bosevski said.

The minister of the environment said that about 20 per cent of the arable land is degraded or greatly contaminated and that there are heavy metals above the admissible concentrations on about 47,000 hectares of arable land. Strongly acidic soil spreads over 315,000 hectares and medium acidic over 460,000 hectares. This is the result of intensive and incompetent fertilization, according to environment minister Bosevski.

Mr. Bosevski said that about 2,000 million tonnes of solid waste has been deposited in Bulgaria, 70 per cent of which are rock and earth dug out from mines. Inquiries made this year established that 932 hectares of land have been polluted as a result of the activities of different companies and agricultural enterprises. 177 hectares were cleaned in the first six months of 1993 and only 7.7 hectares of the land polluted by accidents has been reclaimed.

Environment minister Bosevski said that an extensive nationwide programme for studying the exact parameters of the environment-health interrelation has not been realized. Actually no analyses have been made of the damages to the state from impaired environment and to the health of the population. Mr. Bosevski added. According to him, on the basis of analyses conducted in other countries, it can be presumed that at the existing level of pollution, the state and the nation are losing 5 per cent of the gross domestic product a year.

Prime Minister Klaus Arrives in U.S. on Visit

LD1410194493 Prague CTK in English 1833 GMT 14 Oct 93

[Text] New York, Oct 14 (CTK)—Czech Premier Vaclav Klaus arrived here today for a two-day visit to the United States.

Although Klaus has visited the USA before in his earlier government functions, this is his first visit as a head of the independent Czech Republic.

The focal point of his visit is to be tomorrow's talks in Washington with American Vice President Al gore, top representatives of the International Monetary Fund, the World Bank and American reporters.

Immediately after arriving in New York, Klaus left for the seat of the Council on Foreign Relations, where at a ceremonial lunch he spoke to members of this prestigious organisation about the most recent developments in the Czech Republic.

Later on today, Klaus is to meet US representative to the United Nations and member of the US Government Madeleine Albright and the former American Secretary of State for Foreign Affairs and influential conservative politician Henry Kissinger.

After his two-day visit, Klaus, accompanied by Deputy Minister of Industry and Trade Miroslav Somol, is to leave for Guatemala and Mexico. In Guatemala he is scheduled to meet Vice President Artur Asturias and to receive an honorary doctorate from Francisco Marroquin University. In Mexico he is to meet President Carlos Salinas, as well as local business people and bankers, to give a lecture at Guadalajara University on being made an honorary professor, and to take part in the conference of the international chamber of trade in Cancun. He will then visit Germany before returning to Prague.

Addresses Foreign Relations Council

LD1510082693 Prague CTK in English 0810 GMT 15 Oct 93

[Text] New York, Oct 14 (CTK)—In spite of the unfortunate break with Slovakia which we did not wish, the Czech Republic, out of all the post-communist countries, has gone the farthest in the transformation of its economic system, Czech Premier Vaclav Klaus, who arrived for a two-day visit to the USA on Thursday, told the Council on Foreign Relations.

The recent elections in Poland and the political conflicts in Russia have shown that the process of transition from communism to democracy, far from being linear, will have its turns and setbacks and will take a different amount of time in different countries, Klaus stated.

The system transformation must be performed at home and the role of the "rest of the world" in it is rather marginal. What we need is general political support, guarantees of external security, standard financial assistance in the form of loans from institutions such as IMF. Most of all we need is our integration into the world economy, both in the field of trade and in the field of investments. This, however, has proven to be much more difficult than it might seem at first sight.

However, the prevailing protectionism in its miscellaneous forms represents one of the gravest threats to our transition process. The East has often been criticised for its nationalism because of ethnic conflicts, but let me remind that protectionism is also a form of nationalism, Klaus noted.

He said the main reasons for his positive assessment of the Czech Republic's transformation process are: The more or less standard system and structure of political parties, reliable support of the public without any major social conflict so far, the reform-oriented and coherent economic policy with by far the lowest inflation rate, the lowest unemployment rate, a balanced state budget and a stable exchange rate of the currency, together with the fastest pace of deregulation, liberalisation and privatisation are factors which put us visibly apart from other countries of central and eastern Europe.

The basic prerequisites of success in this endeavour include the formulation of a clear vision, the building of a broad consensus on such a vision in the population and the understanding of the peculiarities of the transition period and the ability to implement the appropriate reform strategy courageously and forcefully, though at the same time carefully, flexibly and with due respect to those social groups which are the short-term losers during such a process, Klaus stressed.

In the West, the present problems of post-communist countries are usually thought to be entirely a consequence of the activities of the advocates of the ancien regime. This is an opinion shared by a significant part of public in the post-communist countries themselves. Unfortunately, this is not true. More serious obstacles include the reliance on a negative vision (unity in the rejection of the communist past), without the creation of a positive consensus. This results in a high degree of political atomisation unwillingness to give up the paternalism of the state, reliance on someone else to make decisions, preference for certainty at a relatively low level of affluence over the uncertainty of risky undertakings in a market economy the illusions of the leftist intellectuals, innocently nourished by the West, about "third ways", about a world simultaneously just and effective, about the justification of a chosen elite to command and control social phenomena the lack of understanding for the regularities of the transition period, failure to master the reform strategy, the inability to introduce reform steps when and how they should be taken, in short falling into the "reform trap", into the vicious circle of half-measures and of ruinuous concessions to various pressure groups politicking instead of policy, maximisation of short-term political effects

instead of creating and implementing a long-term political strategy, political gestures instead of honest everyday political work, Klaus stressed.

Addresses Heritage Foundation

LD1610120793 Prague CTK in English 1144 GMT 16 Oct 93

[Text] Washington, Oct 16 (CTK)—Addressing members of the Washington-based Heritage Foundation last night, Czech Premier Vaclav Klaus focused on the experience gained in the course of economic and political transformation in the Czech Republic.

He said that some post-communist countries had fallen into the vicious circle of incomplete and incorrect reform measures, of increasing inflation and unemployment, of budget deficits... Other countries, however, have taken reasonable and therefore effective reform measures, which bring about positive economic results, political stability, continuation of reforms, and so on, Klaus said.

To be successful, political leaders must formulate and sell to the citizens of the country a positive vision of a future society, which must explicitly reject all forms of "third ways", which are based on incompatible combinations of different worlds, Klaus stressed.

It is absolutely impossible to construct a free and functioning social system on dreams, on moral imperatives or on somebody else's preferences, Klaus said. He said that the Czech Republic accepted the teaching of Adam Smith, his vision of a free, democratic and efficient civic society where the citizen, and not an enlightened monarch or an elitist intellectual, is the king.

The political and social cohesion of a country cannot be cultivated without the permanent interaction of political parties, Klaus emphasised. This is something citizens (and politicians) in postcommunist countries were not accustomed to, he added.

The necessary set of reform steps includes both changes in institutions and changes in behavioral and regulatory rules - changes in the rules of the game, Klaus said.

He stressed that the historic transformation process in postcommunist countries could be successful only with the implementation of rational macroeconomic policies, based on conservative foundations, on monetarism, not Keynesianism fixed-rules, not fine-tuning balanced budget, not fiscal activism self-reliance, not dependence on foreign aid. Only thus could free, democratic and efficient society be created, he concluded.

Comments on Visit

LD1610083693 Prague Radiozurnal Radio Network in Czech 0800 GMT 16 Oct 93

[Text] I have suceeded in being seen and heard, Czech Prime Minister Vaclav Klaus said at the conclusion of his visit to the United States of America. The Czech prime minister will fly to Guatemala later today.

Klaus said that the Czech Republic's special position in the postcommunist world is well understood in the United States. It feels good to represent a country which neither causes problems nor needs extra attention, the prime minister said.

Vaclav Klaus went on to say that the success of the Uruguay Round of GATT talks would be very important for the Czech Republic. He said that in talks with U.S. Vice President Gore he had urged the United States not to give in to the pressure from various lobby groups.

To conclude, the Czech prime minister said that there are no sore points in U.S.-Czech relations requiring immediate attention.

Klaus Discusses Territorial Arrangement

AU1510145093 Prague CESKY DENIK in Czech 8 Oct 93 pp 1, 12

[Article by Prime Minister Vaclav Klaus: "About the Territorial Arrangement Again—Ten Commandments of Recapitulation"]

[Text] 1. The present poor quality of state administration and the unnecessarily large measure of centralized decisionmaking (too far from the citizen) have led to motions—expected even in the Czech Constitution—asking for fundamental changes. Unfortunately, these are not simple matters, and they are not issues on which an absolute consensus exists in our country. This leads to polemics, which is normal and necessary, and therefore it is surprising that some participants in the discussions are trying to create the impression that the matters in question are absolutely straightforward and unequivocal. There are several alternatives for the solution we are about to choose and they can be better or worse, cheaper or more expensive, and more bureaucratic or more civic. Therefore it is necessary to consider it very carefully.

2. Currently, the Czech Republic is a country undergoing a very demanding period of transition, which unfortunately we cannot bypass. This implies that even in this respect we have to differentiate between the final solution and the intermediate steps of the transition period. The attempts to forget that we do not live in a completely stabilized society enhance the danger that we will not choose the best possible solution.

3. The final solution must be based on a comprehensible administration, such as the least possible number of levels of state administration and regional self-administration, which administer matters on the regional level, equipped with powers that do not jeopardize the homogeneity of the Czech state.

4. The complex transformational maneuver requires a rather strong central state power to lead us in this

epochal task. The transition from the totalitarian communist regime and the centrally planned, nationalized economy to a democratic, market society and economy is not a minor task. There is a controlled option, purposeful, seeking the optimum schedule for the necessary reform steps, and striving to minimize the duration and cost of the transformation (and I am convinced that the Czech Republic follows this strategy); at the same time, there is the uncontrolled alternative, a passive one, the choice of the free flow, which necessarily leads to chaos and anarchy. It is an immensely costly and immensely protracted route. I believe that we are so far the only postcommunist country that has not fallen in this trap, and we must do everything in our power to prevent this happening in the future.

5. We seek a territorial arrangement that would not infringe upon the integral nature of the Czech state—one that neither creates a new federation or confederation, nor a federal state or other setup that might be officially denoted otherwise but actually had the same consequences. The problem of Moravian cultural sovereignty cannot be solved neither to the detriment of the whole nor to the detriment of the Czech part of the Czech state.

6. Our goal is to rid ourselves of the last residues of the totalitarian regime by way of a clear decentralization of decisionmaking. By the term decentralization, we understand the transfer of decisionmaking to the citizen, to the communities, rather than the complete elimination of central decisionmaking on issues that belong to this level. This statement certainly does not mean we are trying to maintain excessive centralism. In any reasonable society, the state has certain irreplaceable internal and external functions, and is not any canon of liberalism that would have to be curbed as much as possible. The state should have precisely defined (limited) powers, but it must be a strong and not a weak state.

7. The expected formation of an additional link—in the state administration as well as in self-administration—must not result in any mistrust regarding the powers of the center or the powers of the communities. Some of us believe that powers once granted are firm and irrevocable but that is not the case, and never can be. The dispute over powers is here to stay, and I am afraid that in our country it will not be otherwise. This incessant dispute over powers, such as a tug-of-war for power, will also go on here. The more links we are going to have, the greater will be the tug-of-war.

8. The reform of the territorial arrangement is a long-term process and cannot be rushed. We are initiating an intensive process leading to a solution; we are not making any attempt at a definite, ideal plan. Let us look for an efficient economical system that will not disrupt the present function of the state administration, impose on the citizen any adverse consequences, or intolerably burden the taxpayers' wallets.

9. The point of departure must be a consistent internal reform and refinement of the state administration, and it must be given priority over the external reforms. There certainly is room for rationalizing changes. We have absolutely no reason to fool ourselves into believing that there is nothing to improve. I am even convinced that the citizen would benefit more—and that is what it is all about—from the internal rationalization of the existing arrangement than from its change, which, after all, will mean an increase in the number of officials, an increase in the intermediate steps of the state administration (as well as self-administration) and unfortunately increased costs connected with this.

10. At this time, the question in the sphere of the civic decisionmaking—in indirect democracy it is, at least it has been so far, the communal and the parliamentary levels—is whether the Czech state needs another interlayer of civic decisionmaking, i.e. regional self-administration. It is a rather trivial argument that precisely this is enshrined in our Constitution. A less trivial problem is the clear definition of what is left to be decided by self-administration at the regional level—what does not belong to decisionmaking at the level of the community or to parliamentary decisionmaking at the level of the entire state. Speaking for myself, I believe that almost everything should be either in the community or in the center, and that there is not much left to decide at the regional level.

Lithuanian Minister Visits Arms Manufacturer

AU1510184293 Prague CTK in English 1733 GMT 13 Oct 93

[Text] Uhersky Brod/Vyskov, south Moravia, Oct 13 (CTK)—Lithuanian Defense Minister Audrius Butkevicius visited the Ceska zbrojovka arms manufacturer in Uhersky Brod, a well-known producer of pistols, military and hunting weapons, and the Military Academy in Vyskov today.

Butkevicius is in the Czech Republic at the invitation of Czech Minister of Defense Antonin Baudys. He arrived in Prague Monday evening and returns to Lithuania on Thursday.

Ceska zbrojovka director Miroslav Duda said that the company's turnover would exceed one billion korunas ($34 million] for the first time this year. While the company does not expect to offer weapons to the Lithuanian Army this year, by mid-October it had supplied the Lithuanian Police with pistols worth six million korunas ($200,000). This cooperation began last year, Duda said, and by the end of 1993 the Lithuanian Interior Ministry will count among Ceska zbrojovka's largest customers.

In Vyskov, Butkevicius said that he had seen many military schools both in the West and in the former Soviet Union, and that the Military Academy in Vyskov was one of the best. He also expressed interest in training Lithuanian officers there.

Security is a common issue for everyone, Butkevicius said. Therefore we must cooperate, even more so

because we live in a common region. Only then will what we are doing have meaning.

Baudys Discusses Policy Oriented Toward NATO

AU1510141593 Prague LIDOVE NOVINY in Czech 12 Oct 93 p 12

[Interview with Defense Minister Antonin Baudys by Petr Janyska; place and date not given: "The Sooner We Are in NATO, the Better"]

[Text] [Janyska] Mr. Minister, what effect have the recent events in Russia had on you and the government? Should we strive even harder now for admission into NATO or are all these events too far away from us?

[Baudys] I cannot say what effect they had on my colleagues in the government, but they impressed on me the necessity of quickening our steps toward NATO. This has given us an illustration of the potential threat. Thank God it was kept to a minimum. NATO is now the only military alliance in the world that functions and is well organized. Our only hope is to apply for full membership in it and the sooner we are admitted, the better.

[Janyska] Our representatives have already expressed this many times. What are the stumbling blocks?

[Baudys] There is a whole series of issues. All decisions made within the alliance are unanimous, it is enough for one of the member states to disagree and the decision will simply not be implemented. Being in NATO as such is one question and whether the alliance—given its present structure and legislature—can now provide that guarantee of European security is another. Obviously, it cannot at the moment, but it could become the core around which—or from which—such a system could evolve.

[Janyska] Are we just considering NATO—let us assume it is somehow transformed—or are we also considering other European security institutions, for example, the Western European Union [WEU]?

[Baudys] The WEU is not a trans-Atlantic organization, it is strictly a European affair. As far as we are concerned, the trans-Atlantic dimension—that is, the presence of the United States and Canada—is very important for internal stability in Europe. We would be pleased if the existing European structures based on NATO, the WEU, and the CSCE were to somehow come closer to each other and reach a definitive solution. Such a solution is, however, difficult to achieve because if any European system is to provide a guarantee that each state and each nation can feel safe here, this may also imply that a specific intervention may have to be made on the territory of a foreign state. This cannot be resolved immediately.

[Janyska] After all these talks with Western representatives, do you have the impression that they consider a secure Central Europe to also be necessary for their countries' security or is security within the alliance enough?

[Baudys] In the countries of Western Europe (and I felt this mainly in the WEU) and, to a certain extent, in the United States the view still prevails in certain circles that communism has collapsed and that there is no longer any threat from the East.

This is merely an illusion. Communism has not collapsed. The Soviet Union has simply disintegrated and power has been handed over in its former satellites, but the influence of the Communist Party is relatively strong everywhere. Look at the election results in Poland and no one knows exactly what will happen in Russia, Ukraine, and Belarus. To say that there is no danger from communism is very misleading.

Despite this, however, views within NATO are evolving at great speed and it is a major success that one of the main issues to be discussed at the NATO summit in January 1994 will be the eventual expansion of membership.

[Janyska] Will some new countries perhaps be admitted there?

[Baudys] No. I do not even think any specific conditions will be drawn up there, but expansion as such will be discussed. As soon as something like this is mentioned, however, it will acquire its own momentum that we will have to support and accelerate. It would be irresponsible to underestimate the risk of not only regional but also pan-European conflicts that could still erupt.

There are a number of states that were or are still neutral and that are trying to participate in the security system in Europe. They are economically and politically in a considerably more advantageous situation than we are and NATO would probably admit them before us.

[Janyska] The North Atlantic alliance has always said in response to all our requests for admission—wait a minute, we cannot push NATO's borders further toward the East; this would arouse anxiety in Russia and would upset the balance in Europe. Do you think it will continue to be so scrupulous with regard to Moscow?

[Baudys] On the one hand, each state is sovereign in this matter, while, on the other hand, I would consider such a statement to be rather like fudging the issue because NATO has never been—and is not—an offensive but a defensive pact. I do not understand the logic of the Russian argument that someone could not be a member of a defensive organization close to its borders.

[Janyska] On the other hand, in the recent past, some Russian representatives said that they themselves would be interested in joining NATO. How realistic does such a hypothesis seem to you?

[Baudys] It is up to the alliance's member countries to decide whether, why, and where in the East they would

like to expand NATO. However, I definitely do not see this happening before the end of the century.

[Janyska] In what way could the recent events in Russia be reflected in NATO's attitude toward us? Will they be grist to the mill of those within the alliance who are inclined toward our more rapid admission or vice versa?

[Baudys] It is hard to say. One view could be that the post-communist countries are not yet so stable and that they could be a risk within NATO, while another view could be to expand the sphere of NATO's influence by those countries that are already politically and economically more compatible with the EC countries.

[Janyska] When President Yeltsin was in Poland and Prague, he sounded very encouraging about our joining NATO. Last week, reports emerged about his letter in which he said that he would object to such an eventuality. How do you explain his letter? Have you seen it, you or someone else from the government?

[Baudys] In the first place, I have to say that I have not read it and, as far as I know, no one from the government or even from the Russian Embassy has a copy of it. I can only go by what the foreign press agencies are saying, which is that there are certain reservations against our membership. I consider this to be a specific political gesture made by Yeltsin toward the army in order to calm the situation a little.

[Janyska] Do you think it is better to strive for membership in NATO alone, as the Czech Republic, or within the framework of Central Europe?

[Baudys] There were signs at the beginning of the year that it would rather negotiate with all the states at once, but—in my opinion—each country has its own development and specific conditions. It will be up to the NATO member countries to decide whether one, two, three, or five states will be admitted and whether they will be admitted all at once or gradually; it is hard to say. I am personally opposed to across-the-board and non-specific solutions; they are not effective.

[Janyska] How great a role does our army's compatibility—whether purely technical or from the point of view of the means of command—play in our admission into NATO and how much of this is purely a matter of political will on the part of the alliance?

[Baudys] This is, first and foremost, a political matter and is a matter of military compatibility only on the second level. For instance, the armies of many of the alliance's member states have different equipment.

[Janyska] We, as far as I am aware, are establishing a rapid deployment brigade that would be organized in accordance with NATO parameters.

[Baudys] We would like to do something like this.

[Janyska] The friction between Hungary and Slovakia is becoming more and more obvious. Prime Minister Meciar has even referred to flights by Hungarian fighter aircraft over Slovak territory. Do you think that in the near future there could be military skirmishes not far from our borders?

[Baudys] The current situation does not entitle me to state that something could happen there in the near future. Of course, wherever there are substantial ethnic minorities on the territory of another state, there are potential flashpoints for possible conflicts—that is, if the pertinent countries do not conduct a sensible policy or if they have overtly expansive interests.

Tosovsky Assesses Progress of Economic Reform

AU1410113993 Bratislava HOSPODARSKE NOVINY in Slovak 11 Oct 93 p 1

[Interview with Czech National Bank Governor Josef Tosovsky by Jan Puchovsky; place and date not given: "Favoring a More Radical Start"]

[Text] Prague—The problem of secondary insolvency is depressing the economy in almost all the post-communist countries. Our closest neighbor, the Czech Republic, has not avoided this problem, either. This is the subject of our interview with Czech National Bank Governor Josef Tosovsky.

[Puchovsky] How does the Czech National Bank view the problem of secondary insolvency? Is there a way of solving the problem?

[Tosovsky] I would like to answer your question by speaking about a problem that is closely related to insolvency—bad debt. The are two basic ways of eliminating bad debt. First, the state could take over bad debts incurred in the past, or most of them. However, there is a danger that even more bad debt could accumulate if the company owners remain the same. Second, we could postpone eliminating bad debts until the new owners take over the privatized companies. Third, we have the option to use a hybrid method, which is the one we have decided to use. We have conducted audits, eliminated some bad debts, and established the Consolidation Bank [Konsolidacni Banka]. There are several factors affecting insolvency. Because of the reformist steps and CEMA [Council for Mutual Economic Assistance] disintegration, our enterprises have to cope with the shocks caused by an increasing number of companies unable to pay their bills. We do not have a miraculous medicine to cure this problem. In addition to partial solutions, such as offsetting claims and liabilities, we will introduce a controlled process of bankruptcies. I would compare this process to cutting off the sick parts of a tree in order to make it more sound. Companies going bankrupt will not cause increased insolvency. This could tremendously improve our overall economic situation. Financial discipline is also very important. Combined with other factors, it may help eliminate insolvency.

[Puchovsky] Difficulties of this sort may lead us to review the reform processes. What is your opinion?

[Tosovsky] Every country is in a different situation. It is different in Poland, Hungary, Russia, and in our country. The human factor plays a role, too. We are getting tired of the reform process. Historians will evaluate whose method was better. Right now, it seems to me that a radical start to reform could prove to be less expensive in the long run, despite the fact that the first stage of the reform process is financially more expensive. The reform process has to be well prepared and must comprise a number of complex, well considered, and mutually interlinked steps.

Civic Movement To Become Free Democrats

LD1610221193 Prague CTK in English 2159 GMT 16 Oct 93

[Text] Brno, South Moravia, Oct 16 (CTK)—The civic Movement (OH) will go into the 1994 local elections with a new name—the Free Democrats, the party decided at its 4th national congress launched here today.

The congress is to run through in the Saturday night and on Sunday.

At present, the party includes three factions who are presenting their ideas on the party's future orientation at the congress. The main goal of the radical faction is the rapid completion of the transformation of the OH into a liberal party which would become a full-fledged member of the Liberal International (where the OH at present has observer status, the same as in the European Federation of Liberal, Democratic and Reformist Parties). In future, the party should not form the centre of a right-left political spectrum, but should contribute to the birth of a third, liberal pole of non- socialist opposition. Its orientation should be pro-reformist and anti-government. Jiri Dienstbier, the former Czechoslovak foreign minister, the faction's candidate to the party's chairmanship, considers the faction's scheme positive, though not without reservations.

Another faction within the OH is the moderately liberal group represented by OH present deputy chairman Vaclav Zak. It presents the idea of truth as a means of creating democracy. The radicals identify themselves with this idea but do not consider it sufficient for gaining political influence.

The third platform existing within the OH is a non-liberal group, whose orientation is close to social democracy.

Report Reveals Numbers Involved in 'Gray Economy'

AU1510201193 Prague CESKY DENIK in Czech 12 Oct 93 p 14

[CTK and "(paf)"-signed report: "According to the Statisticians' Estimates, a Quarter of a Million People Are Involved in the 'Gray Economy'"]

[Text] The extent of undeclared employment in the gray economy at present can be estimated at at least 5.0 percent of the overall number of economically active people. Therefore, we are talking about some 250,000 people. This information comes from an analysis of the structural changes in the development of employment in the first two years of economic reform that was published in the most recent issue of the magazine STATISTIKA. An analysis of the changes in the labor force during the aforementioned period indicates that the growth in employment in the small, already overwhelmingly private, sector did not fully compensate for the shortages in the larger, mainly state, enterprises that, according to the figures, amounted to 1.3 million people. However, this analysis proceeds from the statistical surveys that in the past were criticized for their inability to depict development in the small private sector. A change to the system for ascertaining actual economic and sociological data—the so-called selection tests—is currently being planned at the Czech Statistical Office. These should replace the current so-called exhaustive investigations that proceeded mainly from the enterprises' obligation to routinely report their economic results to their founding ministries. Private shareholding companies and small, private businessmen do not have this obligation and so there may be considerable confusion if current statistical methods are used.

Statistics Show Price Increases of 21 Percent

AU1510185393 Prague CTK in English 1419 GMT 13 Oct 93

[Text] Prague, Oct 13 (CTK)—Consumer prices rose by approximately 21 percent in September this year compared to the same period, according to the latest report by the Czech Statistical Office (CSU), which was provided to CTK today.

Prices increased by 1.4 percent in September 1993 alone.

Price developments in the first eight months of 1993 indicate an increase of 22 percent, while aggregate price growth from the beginning of the year does not quite reach 12 percent. Unemployment is also up moderately, it reached 3.2 percent last month compared to 2.6 percent in September 1992.

Industrial production in current prices rose almost five percent in August from one year earlier, though in comparable prices this amounts to a decline of the same amount. Results from the beginning of 1993 show identical comparisons.

August prices in construction jumped almost 21 percent when compared to prices in August of 1992. However, in comparable prices, construction is down slightly by 1.4 percent. Construction shows a growth of 18 percent from the beginning of the year which turns into a drop of five percent when translated into comparable prices.

Retail sale prices (current) in August registered growth of 24.2 percent, compared to August 1992. In comparable

prices, the increase comes to a little more than three percent. Cumulative results from the start of the year indicate similar values.

Exports this August grew 25.5 percent, imports 19 percent. When comparing the first eight months of this year to last year, imports grew 13.6 percent and exports not quite 16 percent. Czech foreign trade exhibits a positive balance for the year despite these figures due to differing methods of comparison, according to the CSU.

Average wages in August of this year compared to August 1992, by sector, are as follows: industrial production, 5,743 korunas (about $190, up 28 percent from the year before) construction, 6,586 korunas (up by approximately 34 percent) internal trade, 4,557 korunas (up almost 21 percent) and transportation, 5,707 korunas (up more than 22 percent).

Commentary on Possible NATO Admission Date

AU1510123093 Prague MLADA FRONTA DNES in Czech 14 Oct 93 p 6

[Commentary by Ivan Jamelka: "Knocking at NATO's Doors Is Useless"]

[Text] God helps those who help themselves, they say. No alliance can guarantee the freedom of the Republic if its citizens are not ready to defend it at any time, says Minister of Foreign Affairs Josef Zieleniec.

It is useless to knock at the doors of the North Atlantic Pact and ask for membership as if one was asking for a hot soup to calm down the starvation of Central Europe. At present, we would not get beyond the kitchen. NATO's restraint toward the Czech Republic is, for the time being, natural and understandable.

After 45 years, our society has again fallen for the principles of the Western world. But it was only four years ago that we officially cast off the hammer and the sickle.

No one can say how long it will take until it becomes certain that, regardless of the outcome of elections, nothing will alter this reality. Therefore, NATO cannot responsibly say when the suitable time will come for its extension to include the states of Central and Eastern Europe. The date of admission will be determined primarily by us. To a formidable extent, it depends on when we will start being proud "even before the West" of being citizens of the Czech Republic. Once this happens, we will, apparently, also be ready to defend our state and the principles on which it was built, with arms, as Minister Zieleniec wishes. Then, it will no longer be necessary to plead for NATO's merciful salvation from the dangers threatening the majority of post-communist states today, chiefly as a result of their own fragility and instability. Quite the contrary, we can expect that the Czech Republic will be invited to take part in ensuring European security because, as President Havel suggested in his address to parliament [on 12 October], it is predetermined for such a role by its geographical position.

Our security depends today primarily on our skills, common sense, and ethics. Knocking at the doors of the alliance is useless. Its representatives have already made it clear that these doors are open to new members.

Russian, Italian Mafias Divide Republic

AU1510123493 Prague MLADA FRONTA DNES in Czech 12 Oct 93 p 1

[Report by "(ina)": "The Russian and Italian Mafias Are Divvying Up the State"]

[Text] Prague—At a meeting between the Italian and Russian mafias held in Prague last October, the Italians and members of the criminal gangs from the countries of the former Soviet Union, among other things, divided up their areas of operation in the Czech Republic. This information was given to us by an expert—who does not wish to be named—in organized crime from the Italian Embassy. He has thus confirmed the report issued by Luciano Violante, the chairman of the Italian parliament's Committee for Combating the Mafia, that we published on Monday [11 October].

According to our source, the Italian gangs use the Czech Republic mainly as a support country where they hold meetings and conclude agreements. On the other hand, the criminals from the Russian organizations—first and foremost—launder dirty money and buy property here through dummy companies.

According to the reports of foreign intelligence services, the Russians have also become involved in privatization. As opposed to the Italians, the gang members from the former Soviet Union are directly involved in the Czech Republic in blackmail, prostitution, arms dealing, and drug trafficking.

Foreign and Czech experts responsible for combating organized crime drew up analyses of the planned division of territory and cooperation between the Italian and Russian gangs as early as 1991. We obtained this information from Jiri Vacek, the former adviser to the federal interior minister on matters relating to organized crime.

It was Vacek who, at the end of last year, warned of a meeting between the Italian and Russian mafias that took place in Prague in October 1992. "At that time, the Interior Ministry's management did not consider this information to be reliable and so questioned it," said Jiri Vacek. "The Czech Republic could have been much further ahead in the struggle against organized crime if it had not trivialized the threat, as in this instance."

Western Firms Criticize Wage Regulation

AU1510184193 Prague CTK in English 2258 GMT 13 Oct 93

[Text] Prague, Oct 13 (CTK)—Two large Western consulting firms have criticized the Czech Government's decision in July to introduce wage regulation. Their representatives warned that this move would cause a brain drain from Czech companies.

A study of the Coopers and Lybrand and KNO Worldwide firms says the government decision makes it difficult for Czech firms to pay qualified employees the same wages and salaries which are offered by foreign companies. These employees will therefore have to decide whether they will stay with the Czech firm which pays them less or will move to a better-paying foreign employer.

Frequently, recently privatized joint stock companies pay their staff salaries which differ little from the wage level in state-owned enterprises. Foreign firms, on the other hand, can allow themselves to pay salaries approaching Western standards.

Foreign companies are willing to pay much more than state firms to attract people... and some of them are ready even to pay fines (for violating wage regulation—ed.) in order to keep their people, Steven Kelly, co-owner of the KNO Worldwide firm, said.

Chief of the Department of Consultive Services at Coopers and Lybrand John Cromack says: The shortage of qualified personnel, especially with knowledge of languages, forces many a firm to re-assess what training and advantages they will offer to their employees to keep them.

Both firms worked out a list of wages in June which includes 56 foreign firms active in the Czech Republic in industry and services. The study says that the efforts to control inflation through the reduction of wage growth is logical in the conditions of a stable market. The problem is, however, that the Czech market is not yet stable.

The attempts at stabilizing this (Czech) labor market are complicated by privatization and extremely low unemployment, Kelly said, as well as by the limited supply of experienced upper-level managers and trade and finance workers.

According to the study, wages in the Czech Republic have generally grown by 10 to 20 percent since the two consulting firms worked out similar surveys in January. In the financial sector, an up to 30-percent wage increase was registered.

Prices of consumer goods grew in September by 20.9 per cent compared with last year's level.

As of July 1, the Czech Government decided to impose sanctions on enterprises in which the wage increase will overrun the growth of production. If wage increase for a quarter of a year does not exceed 15 per cent, no sanctions are imposed. If wages grow by 15 to 20 per cent, the firm will pay a fine equal to the wage growth. If wages grow by more than 30 per cent in a quarter, the sum of the fine will be twice as big as wage growth.

Meciar Comments on Sugar Scandal Investigation

AU1510172293 Bratislava REPUBLIKA in Slovak 14 Oct 93 p 1

[TA SR report: "Publication Is Up to the Chairman of Parliament; Vladimir Meciar: Report on Investigation Into Indiagate Is Ready"]

[Text] Bratislava—"The report on the course of investigation into the so-called Indiagate affair is virtually ready and I have been informed of its legal consequences," Prime Minister Vladimir Meciar told the TA SR in response to the question whether the government had lived up to its obligation to present the results of the investigation into the affair to the Slovak Parliament by 14 October. He added that he would present the report to Ivan Gasparovic, chairman of the National Council of the Slovak Republic [NRSR], personally upon the latter's return from his official trip abroad. [On the same day, on page 2, Bratislava REPUBLIKA in Slovak carries a 150-word TA SR report stating that NRSR Ivan Gasparovic departed for a 10-day visit to Canada and the United States on 13 October]

The prime minister explained that the investigation was being conducted by the Inspection Department of the Slovak Government Office. The decision on when and how the results of the investigation will be made public will be made by the NRSR chairman, however. At the same time, the prime minister rejected doubts about the objectivity of the Inspection Department and insinuations to the effect that "the government was controlling itself." He stressed that the department in question was independent of individual ministries where the inspection had been carried out and that there were no reasons to call the results of the investigation in question.

Defense Minister Comments on Army Spending

AU1610174893 Bratislava PRAVDA in Slovak 14 Oct 93 p 3

[TA SR report: "The Army Is Stagnating"]

[Text] Bratislava—Since the beginning of the year, the Army of the Slovak Republic (ASR) has only purchased two passenger cars, one bus, bulletproof vests, a radio station, and other supplies required for the Slovak UNPROFOR [UN Protection Forces] engineering battalion deployed at Lipnik [in Croatia], Slovak Minister of Defense Imrich Andrejcak told a news conference yesterday. He said that some 700 million Slovak korunas [Sk] would be appropriated for the ASR in a few days. The ASR will use the money to purchase 540 apartments for career soldiers whose families will be relocating from the Czech Republic to Slovakia. Due to the insufficient sum allocated to the Slovak Ministry of Defense from this year's state budget (Sk8.211 billion), only the most vital functions are being ensured in the ASR—that is, the so-called state of survival and stagnation.

Toth, EFTA Delegation Discuss Mutual Trade

AU1710132493 Bratislava PRAVDA in Slovak 12 Oct 93 p 2

[TA SR report: "Two Trade Problems; Possibilities of Slovakia's Cooperation With the European Free Trade Association Discussed"]

[Text] Bratislava—The possibilities of cooperation between the European Free Trade Association (EFTA) and Slovakia were discussed by EFTA Secretary General Georg Reisch and Slovak Finance Minister Julius Toth in Bratislava yesterday.

Julius Toth ruled out the possibility of further inflation [as published] and responded to questions concerning a general import surcharge, which the Slovak Ministry of Finance, contrary to earlier intentions, has not introduced. Speaking about protectionist measures, he said that Slovakia was more liberal in this regard than Poland and Hungary, with which the Slovak Republic is tied by the agreement on the liberalization of mutual trade among the Visegrad Four countries. Both aforementioned states, however, had contractually pledged to harmonize import duties.

Georg Reisch mentioned two problems in trade—that of proving the origin of goods and the issue of exporting "sensitive" commodities. He said that the origin of goods was important because products containing components that had been imported from EC countries lose advantages granted to East European products on EFTA markets—that is, Slovak products as well.

On the basis of Georg Reisch's offer to provide technical and methodological assistance to Slovakia, the Slovak Ministry of Finance will address a list of its requirements to EFTA within six weeks.

Yesterday, Georg Reisch also discussed the possibilities of promoting economic relations between the Slovak Republic and EFTA with Slovak Prime Minister Vladimir Meciar and met with the ministers of foreign affairs and the economy. Georg Reisch was also received by Slovak President Michal Kovac, who appreciated the signing of an agreement on succession to the treaty with EFTA [that had been concluded by the CSFR]. He noted that trade exchange with the EFTA states was important for Slovakia and pointed out that trade with these countries was uneven, as Slovak imports exceed its exports.

Government Reacts to Hungarian Decision on Dam

AU1610193193 Bratislava SLOVENSKY DENNIK in Slovak 12 Oct 93 p 2

[TA SR report: "Needless Investment of Billions; Statement on Hungary's Decision To Liquidate the Nagymaros Dam"]

[Text] Bratislava—"The Hungarian side's decision to liquidate the building site of the Nagymaros dam is not new. It is logical that after saying 'A' by unilaterally abrogating the 1977 treaty on the joint construction and operation of the Gabcikovo-Nagymaros system of hydroelectric power projects, it also had to say 'B'." This is expressed in a statement issued by Dominik Kocinger, Slovak Government commissioner for the construction and operation of the Gabcikovo-Nagymaros system of hydroelectric power projects.

According to Kocinger, the Hungarian side must now decide what to do with the facilities being built, or already completed, within the framework of the entire planned system. This concerns, in particular, the levees at Dunakiliti and Nagymaros, dams, pumping stations, underground walls, relocated roads, engineering networks, and so forth. Dominik Kocinger also added to the list the question of the round-the-year undisrupted navigation between Palkovicovo and Budapest, which has been guaranteed by the Nagymaros dam. "The decision on liquidation means that several billions [currency not specified] have been needlessly invested, to which one must add the cost of the liquidating work. I admire the strength of the Hungarian economy that it can afford this, and all that before the dispute before the International Court of Justice [in The Hague] has even ended," Dominik Kocinger notes in his statement.

At the same time, he draws attention to the fact that, for the time being, one does not speak about liquidating Dunakiliti. Irrespective of in whose favor the court's verdict will be, the settlement of damages will now become more complicated. The damage on the Slovak side is mitigated by the efficient operation of the Gabcikovo dam, even though, without the dam at Nagymaros, the Gabcikovo power station will not be able to generate peak-period electricity.

Furthermore, the statement notes that, given the situation, Slovakia has no choice but to fully complete the temporary solution, which will also make it possible to generate electricity by using water that is discharged into the Danube's old river bed. This is the most optimal solution given the present situation.

HZDS, SDL Discuss Dates for Early Elections

AU1510134693 Bratislava PRAVDA in Slovak 12 Oct 93 pp 1, 2

[Report by Martin Krno: "Elections Possibly in June; The Movement for a Democratic Slovakia and the Party of the Democratic Left Were Jointly Looking for Ways Out of the Political Crisis"]

[Text] Bratislava— "The two parties consider early elections to be a possible solution to the political situation," states the first sentence of the communique adopted at the close of yesterday's talks between representatives of the ruling Movement for a Democratic Slovakia [HZDS] and the opposition Party of the Democratic Left [SDL], which were held in the SDL headquarters.

The remaining portion of the communique, too, was very brief, considering the fact that the talks lasted almost four hours. It reads: "Prior to possible early elections, the two parties consider it inevitable to deal with the issue of amending the constitutional and electoral system, including communal and regional elections. Both parties pledged to cooperate in this matter. The two parties agreed on a system of mutual consultations, the mechanism of which will be specified at their next meeting."

Pavol Kanis, first deputy chairman of the host party (who stood in for SDL Chairman Peter Weiss, who is on a working sojourn in France), described the consultations before reporters as long and tense. HZDS Deputy Chairman Roman Zelenay (Vladimir Meciar rushed to meet his government obligations right after the talks) corrected him, saying that, even though the talks were long, they were constructive because the two parties agreed on 75 percent of the issues, especially when identifying the sources of the present social destabilization in the Slovak Republic. According to Pavol Kanis, the communique deals with the creation of a new political environment, in which the results of possible early parliamentary elections ought to be applied. [sentence as published] In this context, the two delegations discussed, on a theoretical plane, the advantages and disadvantages of the proportional electoral system in our conditions, the possibilities of making use of elements of the majority electoral system, and the replacement of the parliamentary republic by a presidential or chancellor-led model of democracy. The idea of holding parliamentary, communal, and regional elections concurrently was also broached.

Roman Zelenay said at the briefing that the HZDS considers early elections only one of the options of dealing with the present social situation in Slovakia. Other solutions are also being sought, he said. If other mechanisms prove to be unworkable, however, changes to the Constitution and to the electoral law will be inevitable that will make it possible to call early elections. According to Pavol Kanis, Vladimir Meciar clearly said, however, that his government would not step down, that the HZDS would not form a coalition, the condition for which would be his departure from the post of prime minister, and that, in the event of parliament passing a vote of no-confidence in the government, the present ruling movement would go into opposition. The first SDL deputy chairman drew attention to the fact that a solution to the profound political crisis was possible by non-electoral means (formation of a majority government or of a coalition government) or by electoral means. The SDL itself would advocate the adoption of a two-article constitutional law shortening the term of office of the current National Council. The SDL upholds the view that, the sooner new elections are held, the better for Slovakia. The prime minister would prefer

next June or next October as the date for early elections. Both parties agreed to delegate their experts into two groups of experts, the first of which would focus on analyzing these problems from a broader political perspective and the other on legislative aspects.

Asked by PRAVDA whether any of the participants in the meeting returned to the idea of creating a HZDS-SDL government coalition, Pavol Kanis replied that, even though the possibilities of pre-election or post-election cooperation were the subject of discussion, the discussion took place on a rather general political level. While the prime minister expressed himself in favor of raising the 5-percent threshold for parties and political movements to win seats in parliament, the SDL intends to follow the Chinese wisdom: "Let all flowers blossom."

IMF Mission Dissatisfied With Economic Policy

AU1510201793 Bratislava PRAVDA in Slovak 12 Oct 93 pp 1, 3

[Report by Ivan Podstupka: "It Does Not Look Like an Economic Miracle; The IMF Disagrees With a Sizable Slovak Budget Deficit"]

[Excerpts] Bratislava—An IMF mission is currently studying, once again, the economic situation in Slovakia and the Slovak Government's economic and monetary policy. Its findings will be crucial for the appropriation of the second installment of a $90 million loan of the STF [Strategic Transformation Facility] type. [passage omitted]

The Slovak Government can hardly expect the IMF and banks to invest in disorderly economic conditions, in which loans disappear like water in a net. Our government evidently lacks the political courage for painful structural changes, although the European Community, of which we are now an associate member, shows in which direction the transformation steps should go.

The IMF Distrusts Promises

IMF missions are not usually accompanied by great publicity, information tends to be provided once they are over. However, we know already from well-informed financial circles that the IMF approaches our proposals, particularly those regarding budget policy, in a highly uncompromising way. It insists on the implementation of its previous recommendations, which means budget cuts, and disagrees with a sizable budget deficit. The mission has categorically rejected the idea of postponing the beginning of the fiscal year by three months, so that it would start on 1 April 1994.

One could ask why the IMF does not want to accept the planned deficit of the Slovak budget, despite the fact that it could serve as an impulse for economic recovery. There are at least two reasons for this. The first is the fulfillment of this year's state budget and the overall indebtedness of the government sector (56 billion Slovak korunas [Sk]). The nonfulfillment of projected revenues, the overfulfillment of the unrealistically set social expenditures, the failure of the National Council of the Slovak Republic to pass some social laws [limiting entitlements], and the high interest rates paid to the National Bank to finance the deficit—all these factors could cause a state budget deficit in excess of Sk30 billion this year. We must remember that the IMF mission in June estimated the budget deficit at Sk22.4 billion, which was Sk6 billion more than it was ready to accept. It therefore insisted that the government implement its recommendations. The second reason for the mission's tough stand is the absence of the government's purposeful economic concept. The decline of the economy continues and even indicators that could signify the slowing down, or halting, of the economic crisis, such as, for example, aggregate demand, are deteriorating.

Relativity of Satisfaction

According to Slovak participants in the September summit of the Washington-based financial institutions [IMF and World Bank], representatives of the IMF and major banks assess the economic and financial situation in Slovakia positively. The stands of the current IMF mission show, however, that, as far as Slovakia is concerned, the supreme representatives of the IMF and international banks express satisfaction only regarding their own expectations of an economic catastrophe, and not with the development of the Slovak economy in relation to its potentials. Unfortunately, the economic situation here is very bad and one can hardly imagine the IMF experts not being able to see their way.

Budget Deficit Reaches 18.2 Billion Korunas

AU1610181893 Bratislava NARODNA OBRODA in Slovak 14 Oct 93 p 2

[TA SR report: "Minister Toth in the National Council of the Slovak Republic: Deficit Now Stands at Sk18 Billion"]

[Text] Bratislava—The Slovak Republic's budget deficit reached the sum of 18 billion Slovak korunas [Sk] at the end of September, Finance Minister Julius Toth told yesterday's meeting of the National Council of the Slovak Republic Economic and Budget Committee. The deficit increased further on the first day of October and, by yesterday, it had reached Sk18.2 billion. Minister Toth expects a turnaround toward the end of this month. He stressed that the situation regarding contributions to the National Insurance Company of the Slovak Republic and revenues from the corporate tax and value-added tax remained unchanged. The Slovak Government is preparing an amendment to the law on the payment of the value-added tax, the aim of which is to achieve its more even and daily collection.

Unemployment Rate Reaches Almost 14 Percent

AU1510143193 Prague CTK in English 1705 GMT 11 Oct 93

[Text] Bratislava, Oct 11 (CTK)— The level of unemployment in Slovakia at the end of September was 13.73 percent, which is 349,998 people, the Slovak Ministry of Work, Social Affairs and Family announced today.

This represents a rise of 5,231 compared to the August figure. Just over a third of the total unemployed are receiving unemployment benefit—123,712 people, 1,896 more than in August.

Almost exactly half the unemployed are women (49.75 percent).

There were 1,047 more unemployed school leavers than in August, making a total of 57,394 in September. Of these 3,500 unemployed graduates from higher educational establishments.

The number of partially disabled looking for work rose slightly to 19,002.

Areas worst affected by unemployment are Rimavska Sobota, Spisska Nova Ves, and Roznava, in southeast Slovakia, where the rate reaches almost 24 percent. Unemployment is at its lowest in Bratislava, at 4.79 percent.

Bratislava Stock Exchange Introduces Daily Trading

AU1710132793 Bratislava REPUBLIKA in Slovak 12 Oct 93 p 4

[TA SR report: "More Realistic Prices"]

[Text] Bratislava—The Bratislava Securities Exchange (BCPB) yesterday introduced trading on every working day; in other words, the stock exchange has switched from a biweekly cycle to a daily cycle.

According to Marian Sasik, who is charged with managing the BCPB, the main objective is to put the prices of securities on a more realistic footing and, at the same time, raise the turnover in individual types of securities. Fifteen listed securities are presently traded on the stock exchange, of which the bonds of Vseobecna Uverova Banka [General Credit Bank] and the state rehabilitation bonds are the most sought after. As far as shares are concerned, the greatest demand is for those of Slovnaft, Biotika Slovenska Lupca, the South Slovak Paper and Pulp Mill Sturovo, and OZETA Trencin. The unlisted shares of 497 enterprises are also being traded, among which those of the Figaro plant, Chemkostav Humenne, and Nafta Gbely play the primary role.

The BCPB went into operation on 6 April 1993, and the trading volume has reached more than 19.5 million korunas thus far.

Factory Interested in Austrian License for Guns

AU1610161193 Bratislava REPUBLIKA in Slovak 14 Oct 93 p 4

[TA SR Vienna dispatch: "Interest in Noricum Guns; Slovak Companies Want To Cooperate With Switzerland"]

[Text] Vienna—Austrian authorities are not sure yet whether to approve the export of GHN-45 guns to Slovakia and the sale of the patent rights, which belong to the Noricum company, to Switzerland. The Vienna daily DER STANDARD, which reports this, adds that efforts are making themselves felt in Slovakia to start their own, Slovak, production of these weapons systems.

The Austrian Liezen machine building plant (formerly Noricum) has asked for a permit to export 14 GHN-45 guns to Slovakia. At the same time, it intends to supply 230 gun barrels, 243 breech mechanisms, and other components to its customer—the ZTS [Heavy Engineering Works] Dubnica company. The Liezen machine building plant, which is evidently winding down the production of guns, intends to sell the license and the patent rights to the Swiss firm International Technology Finance Ltd. in Zurich, which belongs to the Swiss Oerlikon-Buehrle concern.

According to information published in DER STANDARD, the Slovak customers and the Swiss intend to set up a joint venture for the production of Noricum guns. DER STANDARD takes the view that for Slovakia, this would mean the creation of badly needed new jobs.

Drivers Blockade Border With Czech Republic

AU1510185593 Prague CTK in English 2101 GMT 13 Oct 93

[Text] Lanzhot, south Moravia/Kuty, west Slovakia, Oct 13 (CTK)—Lorry drivers, most of them Czechs and Slovaks, today set up a blockade at the border crossing here in an attempt to press the Slovak authorities into issuing clear instructions for Slovak customs checks.

Drivers' spokesman Zdenek Matejicek from the firm Agill based in Kostelec nad Ohri, west Bohemia, spoke to CTK on the crossing, which is about 50 kilometers north of Bratislava on the Brno-to-Bratislava motorway.

In order to avoid chaos and prevent accidents, Slovak road traffic police have been cooperative in positioning some 50 lorries which are blocking access to the Slovak customs checkpoint, Matejicek said. Czech police have also taken precautions.

Lorry drivers are also vexed over a Slovak Customs Department directive which took effect on October 1 and which requires that lorries transporting alcohol or tobacco have armed escort inside Slovakia.

The payment of 1,000 korunas ($34) provides one police escort vehicle. Front and rear escort vehicles are necessary for a convoy not allowed to exceed four lorries.

It takes an awful lot of time that way, Matejicek said.

The blockading drivers allow through bus lines, and ambulances as well as lorries with perishables, cattle, and explosives.

The directive is followed in one in ten cases, a Slovak customs official said, adding that they were awaiting further orders from the Bratislava Customs Directorate.

Some of the lorries who have started the blockade had been waiting here for eight days—not so bad compared to another 16 lorries held up for a fortnight and only being able to return to Belarus and Ukraine after negotiations on October 12 with the head of the Slovak Customs Directorate.

They thought the gesture would reconcile us, Matejicek said, adding: We are waiting to hear from the Slovak Parliament, and we are resolved to stay put for a month if need be, if things are not in order earlier.

Lorry drivers suggest they be held responsible in case anyone tampered with the cargo. Papers documenting the cargo would to be stamped by customs on a lorry's entry into and departure from Slovakia as an official proof that the cargo is intact.

The Lanzhot/Kuty border crossing blockade was lifted today at 5:25 P.M., a Czech Police Directorate spokesman told CTK.

Radio Director on Reasons for Staff Changes

AU1710162993 Bratislava NARODNA OBRODA in Slovak 12 Oct 93 p 2

[Report by "ev": "A Public Service Institution Must Not Be a Servant; Vladimir Stefko on Staff Changes in Slovak Radio"]

[Text] Bratislava—In the Slovak Radio's Radio Journal program yesterday, Slovak Radio Central Director Vladimir Stefko delivered his opinion on the staff changes in the radio and, more specifically, on the dismissal of Lubomir Lintner from the post of chief editor of the Main Editorial Office of News and Current Affairs.

According to his words, "the fact cannot be concealed that what happened has a political dimension. Slovak Radio has found itself in a severe economic crisis, one that is perhaps without precedent in its entire history." Vladimir Stefko went on to stress that this halfway (allusion to the famous statement by Finance Minister Julius Toth that the Slovak Radio management would have to meet them halfway [to meet government wishes] for financial means to be appropriated to it—editor's note) was probably unavoidable because, in his opinion, a public service institution must exist in a democratic society. On the other hand, it also needs to be said that certain excesses, instances of imbalance, and, perhaps, even instances of imprudence had actually appeared in Slovak Radio broadcasts and that "it is not quite acceptable for Slovak Radio to act as an anti-government institution." He himself is deeply convinced that radio is not anti-government, although, naturally, it is critical toward the government. The question is whether this critical attitude has always been sufficiently supported by arguments.

According to Vladimir Stefko, a public service institution must not be a "government frequency, nor can it be a servant of state power."

Antall Undergoes Medical Treatment in Cologne

LD1510122793 Budapest MTI in English 1029 GMT 15 Oct 93

[Text] Budapest, October 15 (MTI)—A statement on the condition of Prime Minister Jozsef Antall, treated for non-Hodgkins lymphoma at the 1st Medical Clinic of Cologne University, was read out in the parliament by government spokeswoman Judit Juhasz on Friday.

Professor Volker Diehl, head of the Cologne medical team, gave the following information on Antall's health:

Based on satisfactory initial test results, the prime minister received intensive chemical therapy for a few days, in preparation for the next medical intervention.

Afterwards, he was placed into a sterile room where, on October 14, he underwent an autologous parent cell transplantation. The prime minister's condition is satisfactory, and he is receiving further treatment under sterile conditions. The next report on his health is expected in ten days.

Antall is in constant telephone contact with government members and the prime minister's office, the spokeswoman said.

Jeszenszky Cited on Minority Rights

LD1510164693 Budapest MTI in English 1614 GMT 15 Oct 93

[Text] Budapest, October 15 (MTI)—Although the world was unprepared for the period following the collapse of communism, it is encouraging to see the outlines of a permanent settlement in Europe based on resolving national minority problems, said Hungarian Foreign Minister Geza Jeszenszky in an opening address on Friday at a foreign policy conference entitled 'Hungary in the eyes of the West'.

Promising signs are the Balladur plan and the position taken by a Vienna summit of the Council of Europe.

This, he added, was identical to the Hungarian Government's endeavours in establishing friendly ties with all Hungary's neighbours, while expecting guarantees for the rights of Hungarian minorities.

The conference's aim is to analyse how the world has viewed Hungary throughout the course of history, and what may be done to create a more favourable picture of the country.

In analysing historical relations of Hungary's image abroad, Jeszenszky warned that international interests usually determine how a country is viewed. In case of any conflict, the Western public is inclined to treat those speaking out for national minority rights and those denying these rights alike, he said.

It would be detrimental for Hungary if Europe thought it was Hungary's protection of minorities that was a source of danger instead of the denial of justified minority demands, he added.

In Jeszenszky's view, the Hungarian Democratic Forum, the leading party of the current governing coalition, will be the great surprise in the 1994 general elections as it will remain a determining political force.

Report of FRY Pressure on Vojvodina Hungarians

LD1510224093 Belgrade TANJUG in English 2128 GMT 15 Oct 93

[Text] Budapest, Oct 15 (TANJUG)—In response to Yugoslavia's accusations that Hungary is continuing violations of a U.N. arms embargo on the warring sides in the former Yugoslavia, Budapest on Friday accused Yugoslavia of increasing pressure on ethnic Hungarians in Serbia's province of Vojvodina.

A Hungarian Foreign Ministry spokesman on Friday described as groundless the Yugoslav accusations, voiced on Wednesday by Yugoslav Ambassador to the U.N. Dragomir Djokic.

In a letter to U.N. Secretary General Butrus Butrus Ghali, Djokic said the Yugoslav side had material proofs for Hungary's embargo violations, including those related to the 'Kalashnikov affair,' the deliveries of MiG aircraft to Croatia and the Maribor arms trafficking affair.

In support of his accusations, the Hungarian spokesman invoked allegations by a representative of Yugoslavia's Hungarian minority and 'observations by international observers and foreign press reports.' However, he failed to name the observers or the papers.

In an earlier letter to Ghali which came after the similar accusations by Hungary's Foreign Minister Geza Jeszenszki, Djokic said that 'all minorities in Yugoslavia, including Hungarian, enjoy the same rights like the other citizens of Yugoslavia, without discrimination.'

Djokic said that ethnic Hungarians (who make up 17 percent of Vojvodina's population) have Hungarian-language classes for over 26,000 children, five faculties, numerous publications and papers, a television programme and 13 radio stations.

The Serb minority in Hungary has none of these, Djokic said.

Csurka, Horvath View Parties' Positions

AU1510133693 Budapest PESTI HIRLAP in Hungarian 14 Oct 93 p 9

[Interview with Lajos Horvath, chairman designate of the Hungarian Justice and Life Party, and Istvan Csurka, national chairman of the Hungarian Way Circles, by

Imre Bednarik and Zoltan Fekete; place and date not given: "We Will Not Do the Favor of Bringing About the Fall of the Government"]

[Text] At the beginning of this week, through filing a no-confidence motion against the Chief Prosecutor Kalman Gyorgyi, the Hungarian Justice and Life Party [MIEP] has again come into the political limelight. At the same time, the debate on the 1994 budget has begun which may even be the tensile test for the government coalition because it is precisely the MIEP that might be the deciding factor between the opposition and the coalition. We interviewed Lajos Horvath and Istvan Csurka mainly on this issue.

[PESTI HIRLAP] At the beginning of this week, the MIEP's parliamentary faction did not manage to shake Chief Prosecutor Kalman Gyorgy's position. Did you see Parliament's refusal as a defeat?

[Csurka] We were certain that legislation would not accept our proposed bill on removing the chief prosecutor from his office but at least we managed to show a mirror to the electors to see that this man who has a communist past has Parliament's confidence. We definitely cannot talk about defeat because 47 people voted against the chief prosecutor or, I could say, with us, which is rather close to the magic 56 votes in the case of the Hungarian-Ukrainian basic agreement [cast against it].

[PESTI HIRLAP] There are only 11 people in the MIEP parliamentary group. Who can be your allies in the current Parliament and at the 1994 elections?

[Csurka] We no longer have close relations with the party that we left. Very many of our friends, however, stand up for us but without giving their names. I believe that, out of the current parliamentary parties, it is the tame and moderate Christian Democratic People's Party [KDNP] that shows the least antagonism toward our work. There are numerous smallholder organizatons that formally belong to [Independent Smallholders Party Chairman] Joszef Torgyan but conduct separate local politics. We cannot draw far-reaching conclusions from this. In the long run, we can work together with the Workers' Council, the Solidarity Workers' Federation, the National Federation of Political Prisoners, the Society for the Protection of Intellect [Szellemi Vedegylet], the Otto Herman Society, and the majority of the participants of 1956.

[PESTI HIRLAP] Many people are calling for the establishment of a right-wing bloc.

[Horvath] It would be good but only if the parties and movements that have a national commitment were rolling in the same riverbed. I believe that the Hungarian Way Circles is the riverbed that might be suitable for establishing an alliance and we have not hidden the fact that we have been organizing this for a long time.

[PESTI HIRLAP] As a matter of fact, where do you put yourselves on the political spectrum?

[Horvath] We are at least as far from the extremes as from the left wing.

[PESTI HIRLAP] In Szarszo [at a meeting at the end of August], the MIEP's chairman designate made an appeal to the parties with a national commitment. What was your reaction to this?

[Horvath] We have not received formal reactions. In my view, the biggest problem is that all parties are trying to raise their own flag to the highest point.

[Csurka] The fact that the Szarszo meeting was repeated [after approximately 50 years] will for a long time continue to be alive in the souls, and this is more important than what the parties actually implement from this. The MAGYAR FORUM is the only newspaper that still keeps a page open for publishing thoughts and writings in connection with Szarszo.

[PESTI HIRLAP] How far have you progressed organizing the Hungarian Justice and Life Party?

[Horvath] Our party is getting bigger and stronger. We are building the party together with the Hungarian Way Circles. We managed to organize more than 200 Hungarian Way local branches and we have MIEP local branches in 60 places. At the moment, our financial basis consists of the individual sacrifices of the members of the Hungarian Way Circles and the MIEP. We have not received anything, not even friendly words, from the Hungarian Democratic Forum [MDF].

[PESTI HIRLAP] Have you also separated your infrastructure from the MDF?

[Csurka] The MDF's attitude is "let us forget about the past" and the two parliamentary groups are not approaching each other at all at the moment. Rather, we are sending messages to each other through the media.

[PESTI HIRLAP] Talking of the media! It is rumored that the MIEP is looking for a daily newspaper and it has already chosen the PEST MEGYEI HIRLAP.

[Csurka] The PEST MEGYEI HIRLAP belongs to the Newspaper Publishing Company that expelled the MAGYAR FORUM with unprecedented aggressiveness from the headquarters in Lujza Blaha square [central Budapest]. Since we will definitely have to establish a daily newspaper for the elections, we are mainly thinking of the MAGYAR FORUM. This weekly newspaper already proved in Szarszo that it is able to operate as a daily newspaper and we would like to continue this rarity in the history of newspapers.

[PESTI HIRLAP] The maintenance of a daily newspapers consumes vast amounts of money. Where will the MIEP get its money from and when does it want to launch its daily newspaper?

[Csurka] We are making enquiries and are constantly working on establishing the daily newspaper.

[PESTI HIRLAP] With a daily newspaper, it is impossible to win even a media war, never mind the elections. Do you think that you should also try to have good relations with the electronic media?

[Csurka] We do not have much chance of this because we have learned that instructions were sent from the Prime Minister's Cabinet Office to the television and the radio in which the leaders were instructed not to allow the Hungarian Way Circles and the MIEP to be on television or radio and not to quote from them, either. All this at a time when the media is quick to jump at the slightest noise made by the Hungarian Socialist Party [MSZP] or the Alliance of Free Democrats [SZDSZ] and attend their forums held in front of empty seats; the media keeps returning to their meaningless events. This proves that the election campaign is in progress in the public media, illegally, and atrociously unjustly and antinationally. We are only mentioned when it is unavoidable.

[Horvath] The MDF leaders thought of banning television broadcasting from Parliament to narrow the MIEP's possibilities. The media war will not flare up anymore because [Prime Minister] Antall and [SZDSZ deputy] Miklos Haraszti have already divided up the media between themselves. The only strange thing is that Haraszti was even able to assert the interests of the MSZP and the Hungarian Socialist Workers' Party [MSZMP] in this pact. The current media bombards the Hungarian cerebral hemispheres from two sides and national interests are always left out of this.

[PESTI HIRLAP] The media has already reported that the majority of parliamentary parties had named their prime minister candidates. When can we expect this from you?

[Horvath] We will hold our legislative national assembly on 6 November and we will announce our program and name our prime minister candidate at the second part of this meeting at the beginning of December.

[Csurka] Naming a prime minister candidate is only a play on words because the leader of a party's national list does not always mean a potential prime minister candidate. It is not at all certain that we will enter this game and it is even possible that we will name our whole planned government in advance.

[PESTI HIRLAP] What are your views on the competitors and the potential prime minister candidates?

[Horvath] God willing, Antall might again be a candidate. He has the necessary experience. It is a different matter that the political line represented by him would not be good for the nation for another four years.

[Csurka] God save us from [SZDSZ's candidate] Gabor Kuncze. It would be too early to judge the internal crisis of the Federation of Young Democrats [FIDESZ].

[Horvath] At any rate, [FIDESZ Chairman] Viktor Orban is an arrogant and untrustworthy man. Hungary should not have such a prime minister. [MSZP Chairman] Gyula Horn reminds me of the saying that an old goat would also be happy to lick the salt but many people remember that he had not been the goat before the previous elections.

[PESTI HIRLAP] In your view, do we need to be afraid of a sudden advance of the left wing at the elections in Hungary in 1994?

[Csurka] Not very much anymore because, during the Antall government, the left wing has already forged ahead so much that it need not do more than this. Therefore, it is not in Horn's interest to get to government because they can manipulate the whole country from the background.

[PESTI HIRLAP] Is there any evidence of this?

[Csurka] In my view, the parliamentary support of the chief prosecutor is a shining example of this. I could also mention the Constitutional Court's latest decision that castrated the law on the provision of justice [for past crimes]. Some 90 percent of the control is again in the hands of the left wing, not to mention the assets and the capital.

[PESTI HIRLAP] The government's absolute parliamentary majority has decreased to three since the MIEP left the MDF. In this case, before the voting on the budget, you are the deciding factor. Will you reject the budget?

[Csurka] We will not do the favor of bringing about the fall of the government. We would like this coalition and government to complete its time, this does not help them anymore, anyway. At the final voting, our presence will only be technical; if necessary, we will be in the parliamentary session.

Walesa Officially Appoints Pawlak Prime Minister

LD1810111693 Warsaw TVP Television First 1100 GMT 18 Oct 93

[Relayed by Warsaw TV Polonia Network]

[Text] President Lech Walesa has officially designated Waldemar Pawlak as prime minister. The candidate of the Polish Peasant Party [PSL] and Democratic Left Alliance [SLD] arrived in Belweder a few minutes ago and is talking with the president.

Two hours earlier, the president accepted the resignation of Hanna Suchocka's government. Prime Minister Suchocka arrived in Belweder exactly at 1000, accompanied by Jan Maria Rokita.

Pawlak Comments on Plans for New Government

LD1610205393 Warsaw TVP Television First Program Network in Polish 1912 GMT 16 Oct 93

[Relayed by Warsaw TV Polonia]

[Text] The formation of the government will probably start on 18 October when President Lech Walesa formally accepts the resignation of Prime Minister Hanna Suchocka and designates a new prime minister. Waldemar Pawlak thinks that the government's priorities should be customs and tax matters, exports, and the agricultural policy.

[Begin recording] [Unidentified correspondent] At what stage is the process of forming the government?

[Pawlak] A little time is still needed in order to make these processes compatible with the constitutional norms.

[Correspondent] What would the government like to embark on as a matter of priority?

[Pawlak] The pressing problems connected with making state structures more efficient, particularly when it comes to customs and taxation issues, and the organization of administration. In the longer run the coalition will focus on developing the economy in such a way that the development of the home market is accompanied by a dynamic increase in exports.

[Correspondent] The president has called you a friend, but he is not forecasting a long future for you, in a manner of speaking.

[Pawlak] I know that the difficulties are great, but the voters have not elected us so that we should now avoid responsibility. I think that the onus is on us. If we get down to work properly and if we work together in various places—in government administration and in individual firms, companies, agricultural farms—if we can join our efforts the development of Poland will certainly be possible. Maybe it will happen step by step, but development is definitely possible. [end recording]

'Text' of SLD-PSL Coalition Agreement

WS1510 51193 Warsaw RZECZPOSPOLITA in Polish 14 Oct 93 p 2

[Text of coalition agreement between the Democratic Left Alliance and the Polish Peasant Party]

[Text] Assuming that Poland needs a competent and stable government; advocating further economic transformations leading to establishing a socially strong market economy; convinced that the public authority bears particular responsibility for a just distribution of hardships of social and economic reforms; believing that equal chances, a right to decent living standards and respect for other existing social rights require the parliament's and executive power's active support; certain that the fate of democracy in our country depends on the successful execution of economic and social policy by a government, as well as on establishing wise and socially oriented laws by the parliament; representatives of the Democratic Left Alliance [SLD] and the Polish Peasant Party [PSL], acting on behalf and in the name of their organizations decide hereby to form a parliamentary coalition aimed at creating a government and providing conditions for a parliament to efficiently perform legislative and supervising functions.

The organizations forming the coalition shall jointly outline and approve its basic rules and conditions of existence and activities.

1. Economic and social policy of the government shall respect the guidelines included in annex No. 1 of the agreement.

Details on pages seven and eight.

2. Foreign policy shall follow agreements included in annex No 2. Details below.

3. Responsibility for the proper functioning of the coalition rests with the chairmen of the coalition organizations and the chairmen of parliamentary clubs of these organizations. Decisions regarding the voting discipline of deputies, senators, and members of parliamentary clubs shall be made by the chairmen of the political factions.

4. Members of the coalition shall jointly propose to the president of the Polish Republic the candidacy for the Office of Prime Minister. It shall be a representative of the PSL.

5. The legislature shall be established on the grounds of professional competence, representation by all its authorities, and proportional power-sharing by representatives of all clubs, including the opposition ones.

Members of the coalition shall agree that the Office of the Sejm Marshal should be held by an SLD representative, and the Office of Senate Marshal should be held by a PSL representative.

6. Professional and ethical qualifications shall be the only criteria for personnel decisions at the government and state administration level. Party recommendations shall concern only certain departments. Persons accepting the coalition program, regardless of their party affiliation, shall be designated to other ministerial offices, with the coalition members' approval.

Chairmen of the political organizations shall propose candidates to key state offices. The decision on approving a candidacy shall be made by the prime minister after

consultations with the chairman of the appointing organization. Personnel changes in the government administration shall be reduced to a minimum only as required to fulfill the above resolutions. The coalition shall carry out a government administration reform, transforming it into an apolitical civil service.

7. The most important decisions regarding the state, including its constitution and international commitments, shall be preceded by a wide public debate, and by taking into account the viewpoint of extraparliamentary groups. The coalition shall strive for expeditious drafting of a new constitution. Its adoption shall be preceded by resolutions reached through a referendum.

8. Driven by the primary interests of the state, coalition members are advocating a harmonious constructive interaction within the structures of state power, including the legislature, the president, and the government. Aside from mutual goodwill, strict observance of constitutional regulations, determining the competence of these structures shall be required. The basic principles of foreign policy shall be outlined after coordination among the state's superior authorities.

9. Views and suggestions voiced by territorial self-governing bodies, trade unions, and other society's representatives shall be among the most important factors determining the government's decisions pertaining to these structures and circles. The government shall initiate agreements with trade unions, blueprinting the basic directions of its social policy. Elections to community [gmina] councils shall be held on earlier fixed dates.

10. A Social-Economic Council shall be formed under the Council of Minister's chairman, associating intellectuals and economic activists from both circles forming the parliamentary coalition and independent experts. The council shall be responsible for drafting opinions and suggestions for the government.

Foreign Policy Directions

While outlining foreign policy, the experts' committee declared Poland's desire to join NATO as soon as possible, at the same time, displaying interest in work on reshaping the treaty. The committee also voiced Poland's will to build good relations with all eastern neighbors, including Russia, as well as aspirations for integration into the EEC, while safeguarding Poland's economic interests.

Suchocka Government To Resign 18 Oct

LD1510134893 Warsaw PAP in English 1307 GMT 15 Oct 93

[Text] Warsaw, Oct. 15—President Lech Walesa told journalists at the parliament building on Friday [15 October] that he expected the government to resign on Monday.

"I await the prime minister on Monday", said Walesa, adding that it would be impolite to talk about the appointment of a new prime minister.

The president said that he had a precise timetable for the formation of a new government. "We will fit into the time limits set by the interim constitution," he said.

Asked how long he expected the new government of Waldemar Pawlak to last, Walesa quipped "100 years".

Jaruzelski Greets Poles Acquitted in 'Arms' Trial

LD1710100893 Warsaw Third Program Radio Network in Polish 0900 GMT 17 Oct 93

[Text] The five Polish citizens acquitted in the arms trial have been in the country for an hour. They arrived on Polish Airlines LOT flight at Warsaw's Okecia Airport. In their first statements they thanked journalists in Poland and abroad who, according to them, largely contributed to their acquittal.

[Correspondent Agnieszka Eierman] General Wojciech Jaruzelski greeted the five Poles. He was corresponding with them the whole time they were in New York. Jerzy Napiorkowski [one of the acquitted] told me that Jaruzelski gave them moral support.

Prime Minister Hanna Suchocka's press secretary, Zdobyslaw Milewski, also greeted Wojciech Baranski, Jerzy Brzostek, Jan Gorecki, Jerzy Napiorkowski, and Zbigniew Gorka-Grabowski [the five acquitted Poles].

Many critical and bitter words were said about the Ministry of Foreign Affairs at Okecie Airport but the five Poles agreed they did not want to talks about it anymore.

They will meet with Sejm Speaker Jozef Oleksy presently.

This was Agnieszla Eierman, speaking from the Sejm for the Third Program.

[Announcer] The Ministry of Foreign Affairs has announced that it will present a "white book" containing evidence of the ministry's efforts in this matter and reactions to them.

Sejm Speaker Receives Acquitted

LD1710101493 Warsaw PAP in English 0952 GMT 17 Oct 93

[Text] Warsaw, Oct. 17—Sejm (lower house) Speaker Jozef Oleksy on Sunday received the five Poles freed by the U.S. court of charges of illegal arms sales and congratulated them on their return home. At the same time he asked them for restraint in their opinions about their "tragic experiences."

According to Oleksy the case showed that there is a need for elaborating legal principles of care of Polish citizen abroad.

Foreign Ministry Satisfied

LD1610180293 Warsaw PAP in English 1730 GMT 16 Oct 93

[Text] Warsaw, Oct 16—The Polish Foreign Ministry (MSZ) expressed its satisfaction on Saturday [16 October]

concerning the "not guilty" verdict passed by a New york court on Friday in the case of five Poles charged with illegally selling arms to Iraq.

"the MSZ had systematically attempted to gain the release of the Poles from Germany and prevent their extradition to the USA. The MSZ also engaged in another kind of activity, often confidential," reads the statement, adding that in the near future the MSZ would inform the public about its efforts and the reaction to those efforts.

The MSZ statement says that the ministry was involved at each stage of the preparation of the "Amicus Curiae" appeals to the New York court, which the MSZ says played a very important role in the trial.

"The Polish authorities, including the MSZ, consistently stood by their view that the accused were innocent. In democratic countries however the verdict does not depend on the will or decision of governments, but on a completely independent court," continues the statement.

"The MSZ once again expresses its satisfaction that the legal procedure has led to the clearing of the accused of all charges," it adds.

One of the Poles defence lawyers Alan Drezin was sure that the Poles should be out of the USA by Monday, since they were in a certain sense illegally in the U.S. having been extradited there.

Andrzej Kawecki from the Warsaw solicitors "Soltysinski, Kawecki and Szajkowski," said that it was not so much that the Poles were in the USA illegally but that they were not covered by normal emigrant status since they had no visas.

On the question of the trial itself, Kawecki, whose firm prepared the "Amicus Curiae" letters for the Polish Government, thought that Judge Nickerson had not been convinced that the accused were guilty.

However had he acted on the earlier appeals, including the Polish Governments Amicus curiae letters, then the American public prosecutor may have further intervened. But the clearing of the accused "by the jury closes the case unambiguously," explained Kawecki.

Kawecki thought that although the Polish Governments "Amicus curiae" letters had been concerned with matters of procedure and not the innocence of the accused, they had in fact influenced the result of the trial.

Kawecki especially thanked the American firm of "Fried, Frank, Harris, Shriver and Jacobson," for producing legally perfect documents when the "Amicus Curiae" letters were being prepared.

Senate Elects Three Deputy Speakers

LD1510144893 Warsaw PAP in English 1350 GMT 15 Oct 93

[Text] Warsaw, Oct. 15—The Senate elected on Friday afternoon [15 October] Zofia Kuratowska, Stefan Jurczak and Ryszard Czarny deputy speakers of the upper house.

Later in the afternoon, the chamber is expected to choose secretaries of the Senate.

PC Chairman Kaczynski Survives Confidence Vote

LD1610200493 Warsaw PAP in English 1959 GMT 16 Oct 93

[Text] Warsaw, Oct 16—Leader of the Centre Alliance (PC) Jaroslaw Kaczynski on Saturday [16 October] survived a confidence vote of the PC Main Political Council and remained the party's chairman.

Kaczynski, who "presented his person for the evaluation" to the Council, gained the support of 87 per cent of votes in a secret ballot.

Following the session of the Council, Kaczynski said he was ready to resign unless the Council accepted him. He also announced that the PC Main Political Council called on the partys all statutory bodies to "intensively participate in the process of the integration of the centre-right until one party is formed."

Meanwhile, Former Deputy Chairman of the Centre Alliance Slawomir Siwek revealed that Saturdays meeting of the PC Main Political Council rejected a proposal of setting up a special commission for analysing the reasons of the PC electoral defeat and resulting personal accountability.

According to Siwek, the proposal was rejected solely due to Kaczynski's opposition. Siwek and three other prominent PC members issued a statement in which they said that in "such a situation" they were considering the possibilities of their further membership of the PC.

Siwek confirmed that the PC main Political Council passed a confidence vote in Kaczynski but he noted that the meeting was attended by around 50 per cent of 160 members of the Council.

Defense Ministry Budget Decreased

LD1610201393 Warsaw PAP in English 2004 GMT 16 Oct 93

[Text] Warsaw, Oct 16—This years Defence Ministry (MON) budget will be lower than last years (6.7 per cent of government spending) but the reduction will not be as great as that seen in previous years, according to the information and press office at MON. The biggest decrease in recent years occurred in 1991. In 1986 defence spending amounted to 3.2 per cent of GDP, while in 1992 to 2 per cent.

According to MON defence spending has been restructured because of the decreases. In 1986, 34 per cent went on buying arms, in 1992 the figure was 12 per cent.

Iliescu Interviewed on Yugoslav Conflict

AU1510200793 Bucharest DIMINEATA Supplement No. 91 in Romanian 9-10 Oct 93 p 3

["Interview Granted by Romania President Ion Iliescu, to Risto Lazarov, Editor in Chief of the Skopje BALKAN FORUM Review. Published in the 4 September 1993 Issue of the Review"—DIMINEATA headline; place and date not given.]

[Text] [Lazarov] The Balkans are currently passing through yet another stormy phase of their development, which is accompanied by radical changes. What is your assessment of those changes both in your country and in the Balkans? How would you describe the political portrait of you country in the context of that region? Which are the most important changes and what are the obstacles and difficulties in the erection of new relations in this part of the world?

[Iliescu] Under the current historic circumstances, in Romania, the operation of structural changes may be regarded as a process in full progress, with a number of well consolidated points and a number of other points on which we are still working.

Parallel to acting for the irreversible establishment of democracy and market economy, Romania—a country situated in the central part of Europe and in the near vicinity of the Balkans—wishes to remain a balancing and stability factor, a country promoting the climate of mutual understanding. We wish to maintain and develop good relations with all neighboring countries, including the Balkan states, among which we also count the recently set up countries on the territory of former Yugoslavia.

Under the current circumstances, when, due to the Yugoslav crisis, cooperation in the region has been considerably impaired, it is extremely necessary to strengthen mutual confidence among states and harmonize their points of view parallel with the efforts made by the international community, intended to halt the confrontation on the territory of former Yugoslavia and intrastate peace and stability in that part of Europe.

[Lazarov] The crisis that attacked the body of the Balkans has also caused wide-spread metastasis. Again, the Balkans are regarded as the apple of discord and a barrel of gunpowder. How could the spreading of that crisis be stopped or prevented?

[Iliescu] Related to the conflict in former Yugoslavia, which represents a source of serious tension in this region, we are watching the events there very closely. Romania has constantly expressed its stance according to which the Yugoslav crisis should be settled exclusively by means of political methods. I believe that the countries neighboring former Yugoslavia could play an important role in preventing that conflict from expanding. Owing to the fact that our country has nothing to dispute with any of the countries in this region, and it maintains cooperation ties with them, Romania is determined to bring its contribution to find peaceful ways to settle the conflict.

In my opinion, if the neighbor countries could elaborate a system of guarantees [sistem de garantii], that system, together with a similar one elaborated by the international community, could accelerate the peace process and they could contribute to the establishment of stability and peace in that tormented part of Europe.

[Lazarov] All Balkan countries, without exception, have stated their option to follow an European course in their development and their wish to integrate within European structures. On the other hand, and the case of Yugoslavia eloquently confirms this, disintegration has become an everyday phenomenon in this area. When and how could those two tendencies be reconciled? How much of a chance does the process of European integration really represent, to what extent should it really be followed by the Balkan states, and to what extent are they really more than just a slogan used in daily politics?

[Iliescu] In our opinion, the processes currently taking place are intended to integrate the various national economies, which is a quite notable tendency throughout Europe.

However, a very difficult, crisis situation may also be noted, as a consequence of the conflicts in former Yugoslavia. Despite this, if armed combat stops, that would allow for the establishment of new relations and the strengthening of cooperation leading to integration. Other processes currently taking place in various parts of Europe are quite similar and I think that we have to create a new framework or relations among states in this part of Europe. I am referring both to relations among the state entities established on the territory of former Yugoslavia and to relations among the latter and their neighboring countries.

[Lazarov] It has been assessed that the Balkans are falling back in their development. Actually there have been no projections referring to that development, or their number is insignificant. How could the development potential of this region be activated? What are the long-term prospects of this region?

[Iliescu] The development of the Balkan countries should be examined in the general context of the processes taking place in Europe.

The efforts should be oriented toward the proper use of the human potential existing in our countries, as well as toward the assertion of our European values. Greece is an EEC [European Community] member state and is a participant in the European integration process. Turkey has also accumulated certain amount of experience regarding cooperation in Europe.

Those are the important components of the development of the economic and social potential of the countries in

the Balkan zone, and they could exert a positive influence upon the entire region. As it is well known, there are a number of older projects, comprising valuable ideas referring to cooperation in the Balkans, that could be updated to the purpose of solving a number of problems in environment protection, health care, the circulation of citizens, transportation, telecommunication, and so on. However, all this depends on the termination of violence on the territory of former Yugoslavia.

[Lazarov] The future of this region doubtlessly depends on the promotion and strengthening of both the bilateral and the multilateral cooperation among the Balkan states. What are the chances of achieving that? What are, concretely, the proposals and initiatives of your country made to that purpose?

[Iliescu] One should consider certain essential requirements while assessing the prospects of cooperation in the Balkans. Above all, it is necessary to put an end to the conflict on the territory of former Yugoslavia. The new states that have been created in that geopolitical area, which are suffering owing to the effects of the war and the gaps between their development levels, will have to coexist in peace and establish a system intended to rebuild their lost mutual confidence.

Cooperation in the Balkans may be favored by making the basic principles governing the societies of the Balkan states more consistent, by seeing to it that those states advance on their way to democratization, political pluralism, the establishment of the state of law and market economy, and the guaranteeing of human rights and the observance of ethnic minority rights.

In the field of cooperation among the Balkan countries we could find new forms of bilateral and multilateral action that could also enjoy the support of the developed countries and international bodies, as the furthering of development on our continent is an issue of general interest.

We believe that various regional initiatives, such as the Black Sea Economic Cooperation Zone, the Balkan Cooperation, the Central European Initiative, and other such regional initiatives should not be working isolated from each other, but rather a system of their coordination should be worked out. In our opinion, the draft on the Danube region cooperation would be appropriate to achieve just that.

I hope that the efforts which will be made by the Balkan countries will correspond to the wishes for peace and good neighborliness of the nations living in that area.

I take this opportunity to emphasize the good relations, established throughout history, between the nations of Romania and Macedonia, as well as my hope that those relations will be expanded and strengthened in the future.

State Minister Popescu Receives EC Delegation

AU1510113293 Bucharest ROMPRES in English 0921 GMT 15 Oct 93

[Text] Bucharest, ROMPRES, 15/10/1993—Romanian Minister of State Dan Mircea Popescu received on Thursday, 14 October, a European Community [EC] delegation at the session of the joint Romania-EC Commission, headed by Alan Mayhew.

Considering the aegis under which the proceedings of the joint commissions are being held as extremely favorable, the guest stated that the countries in the European Community were ready to support the process of restructuring and privatisation in Romania, the reform of the banking system and the development of small and medium enterprises. Alan Mayhew also expressed his hope that these efforts would make the level of Romania's economic development compatible with that of the economies in the European Community.

Minister Dan Mircea Popescu presented during the interview the measures taken by Romania for an application of the provisions in the interim association agreement and pointed out the fields in which the EC member states could bring their contribution for an intensification of economic ties with Romania, among which better allowances for Romanian goods (agricultural and industrial ones) access on Western markets, the granting of financial support for the modernization of its infrastructures, the negotiation of the adherence to the European transit system and training of Romanian experts on European Community issues.

Alan Mayhew stated after the meeting at the Victoria Palace that at present, a most important thing for Romania was to further its reform programme and for Romania's economy to grow more rapidly than the economy of the European Community.

Foreign Ministry, EC Officials Discuss Security

AU1510200293 Bucharest ROMPRES in English 1835 GMT 15 Oct 93

[Text] Bucharest ROMPRES 15/10/1993—A delegation of the European Communities formed ad-hoc for consultations on a security and stability pact in Europe, led by Peter Thuysbaert, had talks Friday, October 15, with Marcel Dinu, secretary of state at the Ministry of Foreign Affairs.

"The Communities have been seeking for ways to open access for Romania to the European Communities. A regional security and stability pact has to be in keeping with the priorities of the Romanian people. Such a pact has to have in view frontiers and minorities issues in particular," said Peter Thuysbaert at the close of talks.

Marcel Dinu mentioned for his part: "We have exchanged views on the 'Balladur plan.' I have underlined that Romania can only favour realistic initiatives

regarding security in Europe. Our main priority is support from Western countries in problems of security and stability and for the success of the reform going on in Romania and the transition to a market economy."

Defense Minister Comments on Arms Production

AU1510113893 Berlin DIE WELT in German 15 Oct 93 p 2

[Report by Walter H. Rueb: "Romanian Military Chief Seeks Contact With Bonn"]

[Text] Bucharest—On Monday [18 October] Romania's Defense Minister Niculae Spiroiu (54) will pay a visit to Bonn. In Bucharest's officers' club he gave an interview to DIE WELT.

"Our military doctrine provides for all-round defense," the stocky lieutenant general, who commands a 200,000-man army, says. The defense budget is 770 million German marks—10.3 percent of the state budget and 2.2 percent of the GNP, but only one-third of the last defense budget under dictator Ceausescu.

"Because our country did not participate in the invasion of the Czechoslovak Socialist Republic in 1968, the Soviet Union stopped its deliveries of weapons and spare parts to Romania," Spiroui explained. "As a result, we produce everything ourselves—from infantry weapons to heavy machine guns to artillery guns, tanks, helicopters, aircraft, and ships." On the basis of licenses, Rolls Royce engines are produced for various tank models, "we can even build the Leopard-2 engines that are produced by Krauss Maffai in Munich. Our sales hits are the AR 199 training plane and the TR 125 tank. However, it is not yet produced in series."

The defense minister sees the Army as a factor of political stability: "Parliamentary control of the Army is guaranteed," he says: "It enjoys the trust of the Romanian people."

Adolf Dieckmann, military attache at the German Embassy in Bucharest, is very impressed by Spiroiu. "So far, he has not been affected by intrigues or political machinations and keeps the armed forces out of the parties' intrigues." He cares about the soldiers' social problems and intends to introduce a military religious welfare service.

Editorial Examines Government Crisis

AU1610131293 Bucharest TINERETUL LIBER in Romanian 13 Oct 93 p 1

[Editorial by Liana Buligan: "The Nation Has To Pay the Costs of the Restoration"]

[Text] Despite the victory symbolized by Romania's admission to the Council of Europe and President Ion Iliescu's participation in the Vienna Summit as a full member of the coveted Community Forum, a victory which, in conformity with former customs, all political and social forces claim to be their own, the crisis our government has been going through for a few months now has intensified. In other words, the battle ground is more limited, those in the ring are the PDSR [Social Democracy Party of Romania], faced by the PUNR [Romanian National Unity Party] and the PSM [Romanian Party of Labor], that is its allies, firmly negotiating even the fact of continuing to be allies. The news and the statements made by the PUNR of late regarding the desire and need they feel as a political party to participate directly in the government were counteracted by the affirmations the PDSR made from the position of master, vaguely ironic, firmly, and not in the least willing to cede a centimeter of the decision in someone's favor.

Maybe the ruling party's self-confidence was based on the other allies like the PSM, the PRM, and the PDAR [Agrarian Democratic Party of Romania], which, although they do not have an impressive representation in parliament, are increasingly "representative" due to the tremendous move to the left by the electorate. This move is a consequence of the rapid deterioration of life, of inflation, and the non-fulfilled electoral promises by the PDSR, and due to the failure of signing the stand-by accord with the IMF, and last, but not least, due to corruption that, although it has not been assumed by the party in power, has greatly influenced people's mentality. Thus, all the vicissitudes of this period, partly unconnected with political decisions and linked to the transition process we are going through, were viewed by the electorate as a result of the political impotence proven by the PDSR during one year in power. The preferred scapegoat, that is the opposition and a "certain part of the press" cannot reap any glory from this crisis situation the PDSR has reached. Recently the PSM said very clearly that the withdrawal of its support for the PDSR has been decided and that, as far as its participation in government is concerned, this is not only desired, but also being prepared on the basis of its own alternative.

Both the PUNR and the PSM prove remarkable political willpower and they have behind them electoral forces, which may enable them to win. The PDSR is in the situation of choosing between loosing the party "monocolor unity" of the executive power and early elections in which it may loose much more, even if it hopes that the restoration guarantees its local authority levers through which it could "guide" the electorate. Thus, the current government, torn this and that way, has to cope with a winter perhaps without IMF money, without gas, without energy, with an increasing unemployment rate, and spontaneous social tension that will surely rise up to a rebellion, while on the other hand there is the political pressure by the aforementioned parties, which will not only not renounce power, but will have no scruples vis a vis their "allies" to try to obtain it. Now the PDSR will assess the "political costs" of the restoration it has achieved, with the inherent incompetence and lack of responsibility, as well as the costs of blocking the reform process, of covering up evidences of corruption, and the

costs of turning the law into a "compromise." The presidency, however, is in a most delicate situation because, so far, it has endured the pressure of the victorious conservative wing of the PDSR and in order to preserve its position it has to accept the same pressure on the part of the newcomers.

The president's indubitable political intelligence has a sad connotation under these circumstances and proves once again how limited the power is that has been achieved following concessions made to a party that is linked to such an extent to the former Communist Party. At this point, the opposition—could it rise above personal or party ambitions—has the chance to offer a feasible alternative on how to come out of this crisis. Isolated in its clay tower, the PDSR could appeal only to a dictatorial alternative, but we doubt whether the army would make such an imprudence given the fact that, from the East, two, recently victorious blue eyes are looking with anger and nostalgic feelings toward the borders of its former empire.

Foreign Media Bulletin: Balkan Crisis 18 October
WA1810160693

The following is an overview of current FBIS reporting on events in the Balkans. It supplements other FBIS reporting and consists primarily of selected summaries of longer reports. For reference purposes, serial numbers of the longer reports are provided.

SUMMARY

Bosnian Army recaptures key western Bosnian town from breakaway Muslims ... UNPROFOR protests Muslim ambush of French troops ... Serbs reportedly shell Sarajevo ... TANJUG reports Britain to urge lifting of sanctions against Montenegro.

MILITARY

TOWN RECAPTURED FROM ABDIC SUPPORTERS: TANJUG reports Bosnian Army recaptured Cazin less than a day after supporters of western Bosnian Muslim leader Abdic had taken the town. Zagreb Radio says "several dozen" soldiers, who had broken away from the Bosnian Army to join Abdic's forces, were killed in an Army ambush. (LD1610101793, LD160161793)

SARAJEVO SHELLED BY SERBIAN FORCES (Sarajevo Radio): Bosnian Serbs reportedly shell Sarajevo, killing 10 and wounding 57. (LD1710153993)

UNPROFOR PROTESTS MUSLIM ATTACK (TANJUG): UNPROFOR Commander Cot "sharply protested" to Bosnian President Izetbegovic against Muslim attack on French UNPROFOR soldiers, six of whom were detained for three hours, while French troops announce suspension of "all peace missions" for 48 hours. (LD1710210793, LD1710184393)

DIPLOMATIC

BRITAIN TO URGE EASING OF SANCTIONS ON MONTENEGRO: TANJUG quotes British Foreign Office senior official Charlton as saying that Britain is "ready to exert its influence" to urge that sanctions be eased for Montenegro, to "encourage" the republic's "democratic evolution." (LD1510214993)

Abdic Units Enter Cazin; Support Growing

LD1510144693 Belgrade TANJUG Domestic Service in Serbo-Croatian 1407 GMT 15 Oct 93

[Text] Petrovac, 15 October (TANJUG)—Units loyal to Fikret Abdic entered Cazin today, the Muslim radio in Bihac has said. Quoting the Muslim army 5th Corps command, the same source does not state whether there have been any armed confrontations or of what proportions.

The radio adds that the forces loyal to Fikret Abdic have blocked the command of Cazin brigades 503 and 504, retaken Cazin Radio, the police station, the municipal assembly building, and other important buildings. The radio goes on to say that Abdic's units have arrested some representatives of the authorities.

Bihac radio also reports that in the territory of the recently formed autonomous province of western Bosnia fighting is flaring up again.

According to the western Bosnian agency ZBIA, the latest events in Cazin Krajina have caused real panic among Alija Izetbegovic's followers, who are now turning their back on Ramiz Drekovic [commander of the forces loyal to Izetbegovic], from Sandzak and are siding with Fikret Abdic.

Army Surrenders

LD1510202993 Belgrade TANJUG Domestic Service in Serbo-Croatian 1910 GMT 15 Oct 93

[Text] Petrovac, 15 Oct (TANJUG)—Army units of the autonomous province of western Bosnia took Cazin this morning without firing a single bullet, Velkaton radio of Velika Kladusa reports this evening.

The radio says that units of the Muslim army 5th Corps surrendered without resistance in the center of Cazin and that Fikret Abdic's supporters are now in control of the local Cazin radio and the police station.

The industrial zone is still controlled by 5th Corps units, which are being reinforced by the special units from Bihac, sent by Commander Ramiz Drekovic, Cazin radio reports.

The loss of Cazin has been confirmed by the 5th Corps command in a special statement broadcast by Bihac radio.

Out of the four municipalities in Cazin Krajina Bihac and Krupa are under the control of Alija Izetbegovic's forces, and Cazin and Velika Kladusa are now held by Abdic's supporters.

Abdic Forces Arresting Imams

AU1510193993 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 15 Oct 93

[Text] According to the BH PRESS Agency, Fikret Abdic's supporters occupied the Cazin police station this morning and took over its functions, according to today's announcement by the Party of Democratic Action for Velika Kladusa, signed by its chairman Mirsad Veladzic. The same source reports that most prominent people, particularly imams, are being arrested in Cazin. Apart from the attack and the police station takeover, Fikret Abdic's supporters effected changes in the legally elected authorities of the Cazin Commune and put their people in key posts, affirms the announcement issued by the Party of Democratic Action for Velika Kladusa.

Army Recaptures Cazin

LD1610101793 Belgrade TANJUG Domestic Service in Serbo-Croatian 0921 GMT 16 Oct 93

[Text] Petrovac, 16 October (TANJUG)—Muslim Radio Bihac, loyal to Alija Izetbegovic, reported this morning that members of the Muslim army's 5th Corps, loyal to Izetbegovic, had last night lifted the blockade on the command of the 503rd and 504th Brigade of the 5th Corps in the town of Cazin, which was taken yesterday by the supporters of Fikret Abdic. The same source claims therefore, "that legal order has been reestablished in the area of Cazin municipality."

Muslim Radio Bihac says that many of Abdic's supporters were arrested during the action, including, according to Radio Bihac, many members of the 521st Kladusa Brigade who, as is said, betrayed the 5th Corps and sided with Abdic.

The radio does not say whether there were any casualties in the clashes between the supporters of Abdic and Izetbegovic yesterday or last night.

Zagreb Radio Details Clashes

LD1610160093 Zagreb Radio Croatia Network in Serbo-Croatian 1400 GMT 16 Oct 93

[Text] The Western Bosnian News Agency [ZBIA] has reported that units of the 5th Corps, commanded by Ramiz Drekovic, have been in control of Cazin since this morning. Forces loyal to Fikret Abdic yesterday entered Cazin without clashes, and tried to establish civilian authority. As ZBIA reports, municipal authorities extended support to Abdic and his soldiers, who had encircled the elite units of Izetbegovic's 5th Corps. The 5th Corps command requested negotiations, and while the talks were in progress, all available military forces from Bihac and Buzim were dispatched to Cazin. In order to avoid clashes and casualties, the leadership of the autonomous province of western Bosnia ordered its units to withdraw from Cazin, and suggested to citizens that they go home.

A statement this morning by the Defense Ministry and police of the autonomous province of western Bosnia, stresses that the successful actions by citizens and the army loyal to Fikret Abdic yesterday and last night showed that they can liberate any town in western Bosnia without bloodshed and violence.

Commenting on the latest events in western Bosnia, Fikret Abdic said that he was not surprised by the actions of Izetbegovic's mercenaries, but that he was stunned by the lack of sincerity on the part of international political factors, who at the Geneva talks clearly stated their stands on Alija Izetbegovic's policy, but are silent now, when they should give the greatest support to the struggle for peace in Bosnia-Herzegovina and the protection of basic human rights and freedoms. Abdic warned that, if necessary, the autonomous province of western Bosnia will establish civilian, democratic authorities in the region by all available means, and that it had sufficient power to do that on its own.

Dozens Killed in Ambush

LD1610161793 Zagreb Radio Croatia Network in Serbo-Croatian 1500 GMT 16 Oct 93

[Text] In Srbljani near Bihac last night several dozen soldiers were killed or wounded in an ambush. They had refused to obey orders from Ramiz Drekovic, commander of the 5th Corps of the Bosnia-Herzegovina Army, and attempted to join the side of the newly established civilian authorities in the autonomous province of western Bosnia.

The massacre was carried out in an extremely cruel way, the information department of the Cazin municipality reports. There are no details as yet, since this area is controlled by Izetbegovic's army, the western Bosnian information agency reports.

Army Advance Halted

LD1710110093 Zagreb Radio Croatia Network in Serbo-Croatian 1000 GMT 17 Oct 93

[Text] Fierce battles, waged late last night on the outskirts of the Cazin and Velika Kladusa municipalities, stopped during the night. The Bosnia-Herzegovina Army's 5th Corps, led by Ramiz Drekovic, was to take control of the entire free territory of the autonomous province of western Bosnia. All seven brigades, which had set off to take control of Velika Kladusa, were halted in Skokovi and Johovica. They were pushed deep into the Cazin municipality overnight. There are no reports yet on how many soldiers were killed or wounded, the Defense Ministry and the police of the autonomous province of western Bosnia reported.

Izetbegovic Proposes Balkan Peace Conference

LD1610100293 Zagreb Radio Croatia Network in English 0903 GMT 16 Oct 93

[Text] Bosnian President Alija Izetbegovic sent a letter to UN Secretary General Butrus-Ghali proposing a Balkan conference to solve the crisis in the former Yugoslavia.

Izetbegovic claims that there are many states in this region that are willing to send troops in to help in the execution of a peace plan that would prevent conflict in the future. He added that the earlier Geneva conferences were not successful in bringing about peace so it would be beneficial to organize a Balkan conference under the wing of the United Nations and the EC that should be able to solve the problems of the entire region.

French UNPROFOR Suspends Activities

LD1710184393 Belgrade TANJUG Domestic Service in Serbo-Croatian 1804 GMT 17 Oct 93

[Text] Pale, 17 Oct (TANJUG)—On 16 October in Sarajevo, members of the 1st Mountain Brigade of the Bosnia-Herzegovina Army assaulted and captured three UN military observers and six members of the French UNPROFOR [UN Protection Forces] battalion. The UNPROFOR troops were securing the movement of military observers, the information service of the republic of Srpska army main headquarters announced today.

After the UNPROFOR command for Sarajevo had intervened, the Muslims released all the captives, but have kept their side weapons, bulletproof vests, helmets, communication equipment, and a combat vehicle.

All subsequent interventions by UNPROFOR commanders with the Muslim military and civilian authorities to clarify the incident have proved futile. Because of that, according to unofficial reports quoted by the Army Information Service, as a sign of protest the French batallion has suspended all peace mission activities for 48 hours.

Cot Protests to Muslims

LD1710210793 Belgrade TANJUG in English 2046 GMT 17 Oct 93

["Pool" item]

[Text] Belgrade, Oct 17 (TANJUG)—Commander of the U.N. Protection Force (UNPROFOR) in the former Yugoslavia, General Jean Cot, on Sunday [17 October] sharply protested to Bosnian Moslem leader Alija Izetbegovic and Moslem Army Commander Rasim Delic against the kidnapping of four U.N. military observers and two members of the UNPROFOR French battalion.

The six were detained for three hours after Moslem soldiers intercepted them in Sarajevo on Saturday.

General Cot said after meeting with Izetbegovic and Delic at the Sarajevo airport that it was unacceptable that Bosnian (Moslem) elements in Sarajevo, which is a security zone, neutralize U.N. troops, the news agency AFP reported.

The incident occurred when Moslem soldiers stopped two UNPROFOR members going to rescue the four observers after the house which they used was badly damaged in a shelling on Saturday.

They were released after three hours of negotiations with Moslem kidnappers who kept their personal arms, signal-corps equipment and one armoured vehicle.

Izetbegovic Protests to UN Over Offensive

LD1610202993 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1900 GMT 16 Oct 93

[Text] Bosnia-Herzegovina Presidency President Alija Izetbegovic sent a letter today to the UN Security Council, protesting over the aggressor's fresh offensive in which many residential areas, including the capital, Sarajevo, came under attack.

The letter stresses that numerous lives have already been lost in artillery attacks on civilian targets, and that this is still going on. President Izetbegovic also pointed to the difficult humanitarian situation caused by blocked humanitarian convoys for Maglaj, Tesanj, and other towns in Bosnia-Herzegovina, stressing that, as a consequence, hundreds of thousands of civilians were in a very difficult position.

UN Commander Says Further 6,000 Men Needed

LD1610153093 Brussels Radio Vlaanderen International in English 1400 GMT 16 Oct 93

[Text] General Briquemont, the Belgian commander in chief of the United Nations forces in Bosnia, says he needs an extra 6,000 men in order to be able to implement United Nations resolutions. At present there are some 8,000 United Nations blue berets stationed in Bosnia. The United Nations has declared security zones around six Muslim towns. If we are to do this properly we need reinforcements, General Briquemont says. According to the general, 2 million people urgently need food and fuel now that the winter is nearly with us.

Sarajevo Facing Serbian Artillery Attacks

LD1610123693 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1100 GMT 16 Oct 93

[Text] Here is a report by Muhamed [name indistinct] from the 1st Corps information service about the security situation in Sarajevo:

The citizens of occupied Sarajevo woke up to the sounds of heavy artillery fire early this morning. The Serb and Montenegrin aggressors are once again trying to soften up the city's defense lines from a safe distance. High-caliber weapons, howitzers, multiple rocket launchers, [words indistinct], antitank artillery, recoilless guns and mortars of all calibres are being used from all positions around the city. Blood-thirsty artillerymen are launching particularly fierce attacks from their strongholds in Borije, Orlovac, Poljine and Mount Trebevic. The defense lines and civilian targets on the slopes of Mt. Trebevic are under concentrated fire. The 1st Corps Command has warned all Sarajevo citizens to take all personal safety measures and move their families to protected areas. Special warnings go to citizens of Jarcedoli, Zmajevac and Colina Kapa, as further heavy attacks are expected on these districts according to reconnaissance and intelligence information.

Fighters of the 1st Corps were well-prepared for these attacks by the Serbian and Montenegrin conquerors, and the command gave a timely warning to the citizens that the enemy was concentrating its forces around Sarajevo. We are repeating the warning to all the citizens that a general alert is in effect and that they should take all the usual precautionary measures. As before, fighters of the Bosnia-Herzegovina Army and other armed forces of our homeland will continue to guard the city and its defense lines with confidence.

Ten Killed in Fighting

LD1710153993 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 17 Oct 93

[Text] The Bosnia-Herzegovina Republican Headquarters for Health and Social security have said that in the areas of Maglaj, Kladanj , Mostar, Gracanica, and Sarajevo, 13 people have been killed and 78 wounded in the last 24 hours. In Sarajevo 10 have been killed and 57 wounded.

Serbs, Muslims Agree To Exchange POW's

LD1710123593 Belgrade TANJUG in English 1210 GMT 17 Oct 93

["Pool" item]

[Text] Belgrade, Oct 17 (TANJUG)—The speaker of the parliament of the Bosnian Serb republic (RS), Momcilo Krajisnik, and Bosnian Muslim Foreign Minister Haris Silajdzic on Saturday [16 October] agreed to exchange prisoners of war and civilians from Sarajevo's Hadzici and Tarcin suburbs.

According to French news agency AFP, Krajisnik and Silajdzic met at Sarajevo Airport and agreed that the exchange would be carried out next week with the aid of the International Red Cross.

Krajisnik also informed Silajdzic that the RS parliement decided to withdraw all territorial concessions to the Bosnian Muslims after their rejection of the Geneva peace plan for Bosnia.

'At this moment we are not ready for concessions to the Muslim side, because it is clear it does not want peace,' Krajisnik said.

The Muslim-dominated Bosnian parliament on September 29 rejected the plan calling for the transformation of Bosnia into a union made up of three mini-ethnic states and demanded new territorial concessions from those already given by the local Serbs and Croats.

The Bosnian Serbs and Croats proposed that the future Muslim state within the union be given 31 percent of the republic, as opposed to the present ten percent.

AFP cited Krajisnik as saying that the Bosnian peace process remains to agree only on territorial questions. He added that Silajdzic also shares this view.

Muslims Renew Attack on Sarajevo; Airport Closed

LD1710110493 Belgrade TANJUG in English 1048 GMT 17 Oct 93

["Pool" item]

[Text] Belgrade, Oct 16 (TANJUG)—Bosnian Muslim forces on Saturday morning [16 October] renewed artillery attacks on Serb positions in Sarajevo, but the fire abated in early afternoon after a fierce duel.

According to news agencies, Muslim forces were the first to fire a number of shells on Serb positions around Sarajevo.

The French agency FRANCE PRESSE said that eight civilians were killed in the fighting.

UNPROFOR [UN Protection Forces] spokesman in Sarajevo Bill Aikman told reporters that the Serb forces returned fire from heavy artillery on Muslim positions in Stari Grad.

UNPROFOR sources described the fighting as the heaviest in the past several weeks and REUTERS reporter in Sarajevo said that the duel was followed by automatic gun and sniper fire.

Aikman said the fighting forced UNPROFOR to close the Sarajevo Airport and it was uncertain when the airlift would be restored.

Krajisnik: Muslim Divisions Cause 'Uncertainty'

LD1710193993 Belgrade TANJUG in English 1741 GMT 17 Oct 93

[Text] Kragujevac, Oct 17 (TANJUG)—Divisions amongst Moslems in the ex-Yugoslav Republic of Bosnia-Herzegovina (BiH) have generated uncertainty whether all Moslems in the BiH would accept the peace plan if a Moslem side representative wanted to sign the document.

This was what Momcilo Krajisnik, parliament speaker of the Bosnian Serb republic (S.R.), said in his statement to Radio Kragujevac on Sunday [17 October].

He recalled that the Serb side had invited Moslems as well as Croats to resume their peace talks, but doubted they would respond because their advisers were instigating them to a continuing war.

Krajisnik said Bosnian Moslem leader Alija Izetbegovic must have been told by his "advisers" to stall for time by proposing to the United Nations a Balkan conference to be held.

Izetbegovic, most responsible for the failure of the Geneva Peace Accord, had proposed a Balkan conference to resolve the regional problems, arguing that peace in the BiH depended on the situation in the BiH's neighbourhood, especially Croatia and Serbia.

Krajisnik cautioned that Izetbegovic's proposal was a trap not to be caught in, for it aimed at interfering in the affairs that posed no problem in the territory of the Yugoslav Republic of Serbia.

Krajisnik found the proposal unacceptable, because what could be dealt with were only the Serbo-Croat and Moslem-Serb relations west of the Drina River on the border between Bosnia-Herzegovina and the Federal Republic of Yugoslavia.

Serbs Prepare Evidence of Muslim Atrocities

LD1610144593 Belgrade TANJUG in English 1309 GMT 16 Oct 93

[Text] Doboj, Oct 16 (TANJUG)—The local Serb authorities of Doboj, northern Bosnia-Herzegovina, have prepared detailed documentation on Moslem atrocities over the imprisoned Bosnian Serb army members in that region.

The documentation is expected to serve as evidence for charges of war crimes against the members of the 109th and 201st Moslem Army Brigades from Gracanica and Maglaj (northern Bosnia).

It was determined that the members of these Moslem units first cut off the ears, noses and heads, dug out the eyes, broke limbs and stabbed the bodies of some 20 already dead and four wounded Serb fighters, whom they then proceeded to kill.

The Serb fighters, mainly from the region of Mount Ozren (northern Bosnia), were killed last and this year. The Moslems handed over their bodies on several occasions in the period from August to October this year.

The documentation containing the proof of these atrocities has been dispatched to the prosecutor's office of Banja Luka, biggest city of the Bosnian Serb republic.

Krajina Assembly Elects New Ministers

AU1610215293 Belgrade Radio Beograd Network in Serbo-Croatian 2100 GMT 16 Oct 93

[Report by Dragoljub Stankic from the Krajina Assembly session in Plitvice]

[Text] Good evening. the assembly of the republic of Serbian Krajina [RSK] is currently discussing everyone's responsibility for the Croatian Army's aggression on the villages around Medak on 9 September. As we have learned, the relevant organs have not yet gathered all the necessary information, but the discussion on this issue is open simply because it could not be postponed any longer.

The assembly has also elected new ministers. Admiral Dusan Rakic was elected defense minister; Milena Tanjga, minister of information; and Ljubisa Budic, minister for urbanization and construction.

The assembly adopted a report on the work of the RSK Government. Submitting a report, Prime Minister Djordje Bjegovic said that the prime objectives of the Krajina Government in the past have been peace, a strengthening of the economy, a struggle against all forms of crime, and the creation of an efficient and energetic state. New, serious restrictions were imposed, above all, from abroad. The war is still going on and this requires necessary material expenditures. In the struggle to accomplish these aims, Bjegovic said, one needs to act even more energetically with peace initiatives toward all interested parties in order to protect the fundamental interests of the Serbian people in all regions in general and the war-torn regions in the Srpska republic and the RSK, in particular.

The assembly also adopted a platform for conducting negotiations with the Republic of Croatia. The main features of the platform were explained by Foreign Minister Slobodan Jarcevic. According to this platform, the government will negotiate with Croatia within the international conference on the former Yugoslavia from the positions of an independent and sovereign republic of Serbian Krajina. No Security Council documents recommending or demanding the inclusion of the state territory of the RSK in the Republic of Croatia can be a subject of negotiations.

Prior to this, during the morning part of the session, the assembly decided that elections will be held on 21 November and that the future parliament will consist of 84 deputies. A complete package of electoral laws was also adopted. The electoral commission was elected. The commission's duty will be to ensure the validity of the elections.

Votes Confidence in Martic

LD1710093193 Belgrade TANJUG Domestic Service in Serbo-Croatian 0104 GMT 17 Oct 93

[Excerpt] Plitvice, 16 Oct (TANJUG)—At a session in Plitvice the assembly of the republic of Serb Krajina [RSK] passed a vote of confidence in RSK Interior Minister Milan Martic late this evening [16 October]. The vote of confidence in Martic was initiated by Assembly President Milan Paspalj. The interior minister obtained support from all the deputies present at the session and there were only five abstentions. The session broke off immediately afterward and it is expected to resume at 0900 tomorrow. [passage omitted]

Tudjman Addresses HDZ Congress 14 Oct

LD1510213193 Zagreb Radio Croatia Network in Serbo-Croatian 1505 GMT 15 Oct 93

[Report on and recorded highlights of speech by President Franjo Tudjman, chairman of the Croatian Democratic Union [HDZ], by unidentified reporter, at the second HDZ Congress in Zagreb on 14 October]

[Text] [Reporter] The participants in the second HDZ congress were first addressed by Franjo Tudjman, party chairman and president of the state, who made an extensive, two-hour speech. After expressing his conviction that the second HDZ congress will be a congress of continuity and party reconsolidation, Tudjman spoke about [words indistinct] and the results achieved by the HDZ in the process of attaining an independent, sovereign, democratic Croatia. Tudjman said among other things:

[Tudjman] The HDZ has been and still is the main force in the process of attaining an independent, autonomous, sovereign, and internationally recognized state of Croatia. Having based this achievement on the idea of all-Croatian reconciliation, the reconciliation of all classes and generations of Croats here and in the diaspora, and on the unity of all Croat lands and regions, the HDZ now has the historic task of completing the political and economic revival of Croatia.

In order to remain up to its historic task in new circumstances in the future, the HDZ must base its aims and all its activities on overall past Croatian experiences and on the program which provided the foothold of all the abovementioned achievements, at the same time strengthening both its program and its activities on the principles of Christian civilization within the western world, to which the Croatian nation has always belonged.

[Reporter] Numerous internal and foreign factors want to see a different government in Croatia, not the HDZ. However, following the elections last summer, they realized that it is because of the HDZ that a stable democratic system has been established in Croatia. However, there are still people who are not in favor of the HDZ and its achievement, and people who hope for a split in the ruling party.

[Tudjman] The HDZ has shown its strength. We have said upon what we base our program and our policies. The left and the right in our country have been united around the main policy of the center, except for rare

exceptions which, I would say, were simply caught in the net of the tendencies to break the HDZ apart. The HDZ has preserved its strength and proved through the very process of its inception, through its roots, that these factors are an asset to the HDZ, not a liability.

[Reporter] Explaining why certain Croatian and foreign intellectuals are actively opposed to the HDZ, President Tudjman said:

[Tudjman] Apart from their completely different general political outlook, there are other explanations for this. They cannot come to terms with the reality of a sovereign Croatia and so on. The urge to denigrate the exalted and bilittle the holy is inherent to human nature. This is the work of those who themselves are not worthy of such lofty achievements. They resort to deceit and insults because they are envious and [word indistinct]. [applause]

[Reporter] Speaking about the international position of Croatia and of the HDZ, President Tudjman said that relations have already been established with about 100 countries. We attach special importance to our ties with Turkey, China, Germany, and the development of our relations with Israel. What is of extreme importance for us, he said, is the fact that we are backed by the Vatican, the greatest moral force in the world.

Our principled policies, Dr Tudjman underlined, have won us the confidence of a large number of UN member-countries, including the United States. We can say that Croatia's international position is favorable, that Croatia is not only internationally recognized but also respected as a factor upon which international elements can count in the settlement of the crisis in this area and in general. However, we must not forget that there are still forces in Europe and in the world which favor another option and not the one of an independent and sovereign Croatia. This gives rise not only to ideas about conferences on former Yugoslavia, but also to ideas about some sort of Balkan conference, on how some sort of a federation should be set up—a new federation of south Slavs on former Yugoslav soil. They are also proposing that Zagreb could chair such a federation. This is perhaps the reason why they are looking for someone other than the HDZ who would accept such ideas. [applause]

[Reporter] Dr. Tudjman stressed that one must continue to prudently analyze the circumstances in which we are to live and defend the sovereignty and independence of Croatia.

[Tudjman] Within this framework what is very important is what our HDZ will be like today and in the future as a party developing from the renaissance movement. As I said in my introduction, we wish to continue all our traditions and we also wish to base our program and practical activity on the principles of the Christian civilization of the western world, because the Croatian people have always belonged to this world and to this civilization and because as such we could become part of both the national and the Christian-democratic parties of Europe and of the world.

[Reporter] Dwelling on the party's achievements, Dr. Tudjman mentioned the development of Croatia's defense and police forces. He went on to say:

[Tudjman] The most important task of the Croatian people and the Croatian state, and therefore, of course of the Croatian Democratic Union, as the majority party in the parliament, the party which has power in its hands and is most responsible for what goes on, is to liberate the occupied territories. [applause] In that respect, dear friends, we need to exercise extreme prudence, but also determination, which we have displayed so far.

[Reporter] UN Security Council Resolution 871 was described as a triumph by Dr. Tudjman, since that document showed that the whole world is behind Croatia's sovereignty and integrity. Speaking about the Serbian question in Croatia, Dr. Tudjman said that it is not true that the HDZ caused the crisis. On the contrary, from the beginning we wanted a political solution and not war and we guaranteed to the Serbs in Croatia all constitutional and ethnic rights.

[Tudjman] We favor normalization and resolution of the Serb question in Croatia on the most democratic foundations and on the highest level stipulated by international conventions. We also favor the normalization of relations between Croatia, Serbia, and Montenegro, based on mutual recognition. We accept arguments and proposals by European and world circles saying that this is the condition for bringing all confrontations in the area to an end and for creating a new international order without war in this area.

[Reporter] President Tudjman reiterated his standpoint on Prevlaka [Adriatic peninsula bordering Montenegro], emphasizing that it is part of Croatian territory and that only after the war can the issue be discussed and then only from the standpoint of Croatia and its allies.

The HDZ was the first and only party which united all Croats in Bosnia-Herzegovina, Dr Tudjman said. He rejected all unsubstantiated criticism and asserted that Croatian policy toward Bosnia-Herzegovina is correct.

[Tudjman] Bosnia-Herzegovina could only have survived as a confederal community of its constituent peoples. By no means could it survive as a unitary or civil and democratic state. [applause]

[Reporter] We have not neglected the Croatian people's interests in their entirety in Bosnia-Herzegovina. In a unitary Bosnia-Herzegovina the Croats would be territorially under threat. Such a Bosnia-Herzegovina would also pose a threat to the entire Croatia.

[Tudjman] The only realistic policy was to preserve as large territories as possible in the framework of these Croatian provinces or a Croatian republic in Bosnia-Herzegovina and then the remaining Croats who end up within the other two republics, in the Bosnian-Muslim or

Serbian republic, must have guarantees that their national and civil rights will be respected, ie they will have their own Croatian state to rely on. [applause] Likewise, that we have been bearing in mind Croatian interests in their entirety is what we said at the very beginning when we announced the referendum we said that we guaranteed all Croats dual citizenship. [as received]

[Reporter] Reflecting on relations with the Muslims, Tudjman said that Croatia's aim had been to create friendship and an alliance but that this had been met with no understanding. It is in our interest to have a cessation of hostilities and to establish friendly cooperation with the Muslims. Tudjman went on to speak about Croatia's economic renaissance and the HDZ as its driving force. Croatia today is a huge building site despite the aggression and destruction. There is some unemployment but at the same time there is a demand for workforce. Croatia's living standard is not below the level of other countries emerging from communism.

[Tudjman] And we have achieved all that, gentlemen, without a single dollar in foreign loans. [applause] This also represents an economic miracle in its own right.

[Reporter] We are aware that there are some difficulties in the economy, but also that results have been achieved. The HDZ government has the support and bears the responsibility for the implementation of the stabilization programme.

[Tudjman] It is our intention, and let this be the objective of HDZ members and its leadership, to make our Croatian currency, the kuna, convertible by statehood day next year. [applause]

[Reporter] Dr. Tudjman stressed that the HDZ must be persistent in its resolve to create a state governed by law and in its struggle against all forms of crime, particularly in cases where HDZ members and civil servants are involved. We are opposed to all instances of misuse of power, particularly during the transformation, he said. He announced that bureaucratic resistance will be crushed and that an administration will be created in the interest of the citizens in the new territorial organization of Croatia. Speaking about war casualties and about unearthing graves and graveyards, Dr. Tudjman said the following:

[Tudjman] We must never forget that we have founded not only the HDZ but also the Croatian state on the reconciliation of all Croats, on the reconciliation of our fathers and brothers who fought against each other. Let us not, by digging up their graves, resurrect that division, that hatred which was caused by historical circumstances.

[Reporter] On several occasions in the course of his address Tudjman dwelled on the situation within the HDZ. I believe, he said, that after the second HDZ congress the HDZ will become stronger and more capable, from the cadre point of view, of resolving all problems.

[Tudjman] Within the HDZ, we have always had our right and our left factions, but both have been loyal to the central body and we must not [sentence as heard]. [applause] As the world was able to see for itself and as it will be able to see after this congress, there has never been any major division within the HDZ. Certain individuals may drift away, the ones who disagree with our policy. But, as we could see, there were very few of those. On the contrary, an increasing number of serious people are joining the ranks of the HDZ, coming from all strata of Croatian society and even from some other parties.

[Reporter] As HDZ's final task, Tudjman promised the inclusion of women and young people in its life, more help for villages, for islands, for pensioners, and for war victims, as well as a well-planned democratic policy and greater emphasis on culture and education. Speaking about the consolidation of the party, Tudjman said the following:

[Tudjman] The consolidation of the HDZ must be reflected not just in accepting the program and the statute, in electing a new leadership, in a new congress and at levels [as heard], but also in eliminating those who are in the way or who damage the reputation of the HDZ, of the Croatian Government, and the Croatian state. [applause]

[Reporter] At the end of his address Tudjman said that the HDZ will remain worthy of its historic task and understand the interests of the Croatian nation and policies, as the party which takes most credit for leading Croatia on the path toward freedom.

[Tudjman] The HDZ will always give everything for Croatia and will not give up our only eternal Croatia for anything. Cheers and thank you. [applause]

Party Ends Conference

LD1710103993 Belgrade TANJUG in English 1025 GMT 17 Oct 93

[Text] Zagreb, Oct 16 (TANJUG)—The ruling Croatian Democratic Union (HDZ) on Saturday [16 October] ended its general conference here in an actual division into the left and the more dominant, right wing.

A strife between the liberal left and the right radical nationalist wing culminated when the factions set forth their lists of candidates for the party's top offices. The strife was surmounted successfully by Franjo Tudjman, president of Croatia and of the HDZ, who was re-elected as party president.

At the close of the two-day conference, Tudjman told delegates that both the radical nationalists and the liberals deserved credit, yet they should realize they had to subordinate themselves to the policy of the centre. He

called the protagonists of the policy of divisions to withdraw their candidates in the interest of the state and the party.

In responding to Tudjman's call, the right-wing candidates, who, to be sure, were most applauded, had withdrawn.

The HDZ conference elected a party caucus from among the candidates proposed by Tudjman.

With its nationalist and anti-communist policy, the HDZ won the 1990 elections in the ex-Yugoslav Republic of Croatia, having been amply financed by Croatian predominantly Ustashi-oriented emigres.

In World War II, the Ustashi set up a puppet nazi-supported 'independent state of Croatia.'

The HDZ to a large measure accepted and promoted the policy and symbols of the Ustashi puppet state aiming at an ethnically pure Croatia.

As a result, hundreds of thousands of local Serbs, Jews, Romanies and anti-fascist Croats and others were killed in 1941-1945.

One of the major targets in the HDZ program was Croatia's secession from the then six-member Yugoslav federation which kindled the war in 1991.

Krajina Official Explains Postponement of Session

AU1710172993 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 17 Oct 93

[Interview with Mile Paspalj, chairman of the assembly of the republic of Serbian Krajina, by Milos Rajkovic; place and date not given—recorded]

[Text] [Announcer] The session of the assembly of the republic of Serbian Krajina [RSK] has been postponed due to the lack of quorum. Assembly Chairman Mile Paspalj has called for an extraordinary session on Saturday [23 October] in Plitvice. Mile Paspalj spoke to our correspondent Milos Rajkovic about the reasons for postponing the session.

[Paspalj] Whenever we have to make some concrete conclusions and we need to deal with some issues that are the duty of this assembly, we find ourselves in a situation where there is no quorum. Some deputies are absent because they are irresponsible, others for (?God) knows what reason. This places us in a situation in which we cannot make a decision on any issue.

I think that if this situation continues, we will find ourselves in a very difficult situation, and yet we have agreed to hold elections. I would really like to know how we think we are going to prepare and hold these elections if we are stuck in this stalemate position, and if there is such a balance of power in the assembly where there is a mountain of things to be finished before the elections.

[Rajkovic] You met President Hadzic and General Novakovic this morning. However, once again, they did not turn up at the assembly session, as was the case yesterday.

[Paspalj] You know that late last night, at the request of the assembly, I invited both the supreme commander and the commander of the Serbian army to come to the session. Since I could not find them, we agreed that they should come to the RSK assembly at 0900 this morning. However, when they arrived this morning, they responded to the invitation by expressing a clear view that they did not want to be present in a courtroom were there were no grounds for holding a trial and that they did not want to be present where the state was falling apart in the way in which it is being done. They presently consider the (?unity) of the people and the defense of the RSK borders at any cost more important.

I think that their presence at the assembly session—even if there are some false accusations—was needed to either confirm or refute these accusations. We only heard one side, and with this method of work and their absence, we found ourselves in the current position—a stalemate position, in which we cannot make any decisions and, thus, had to stop the work of the assembly. The assembly will continue in Plitvice on Saturday, and this will be an extraordinary assembly session.

[Rajkovic] Mr. Paspalj, everything we have been discussing so far is happening only one month before the elections. This is a short period of time. Could these passions not have been contained? In other words, I would like to ask you weather someone is deliberately meddling and stirring up the leadership of the Krajina in this very delicate situation.

[Paspalj] I have been saying for some time now that, despite taking the will of our people fully into consideration, we are nevertheless witnessing a skillfully conducted special war. Not just a special war because of the Croatian (?intentions) regarding this region, but also because of various options that are pervading and being placed here on this territory concerning the settlement of the Serbian issue as a whole.

I must say openly that we, in this region, first have our own original national and very strong Serbian Democratic Party as a movement that has come to life. The party has very skillfully been broken into four factions. Some other parties are also appearing. The only party that Tudjman and his Ustashas fear is the Serbian Democratic Party. We (?now see) that someone has very skillfully broken this people's movement, the will of the people that is manifested through this party.

Regarding the other part, we must know that, in addition to what I said about the breaking up of the party, some ideas about new Yugoslavianism are also pervading, something that would again be done via the blood of the people from Krajina. Krajina would again have to create Yugoslavia, as was the case in the last war, for someone

to come to power. This is also one of the options that is being pervaded and circulated here among this small population.

When you take all of this into account, together with great passions and ambitions for power by some individuals who want to come to power quickly, crushing everything in front of them, we find ourselves in the situation that we are currently in, a situation characterized by a blockade of the assembly and a very bad economic and social situation. In other words, we are in a very difficult situation from which, if God allows us, we can come out by using our brains. I think that we are capable of that.

Foreign Minister on Talks in Medjugorge

LD1710204293 Zagreb HTV Television in Serbo-Croatian 1830 GMT 17 Oct 93

[Report by correspondent Smiljko Sagolj, including recorded remarks by Croatian Foreign Minister Mate Granic and Jadanko Prlic, prime minister of the Croat republic of Herceg-Bosna]

[Excerpt] [Sagolj] No major combat actions were recorded in central Bosnia today. The Muslim army only sporadically pounded the defense lines of Vitez and Novi Travnik. This afternoon it commenced opening fire on the center of the town, Marija Topic reports:

[Topic] Two people were killed and two others were wounded in the shelling.

Fifty seriously wounded soldiers were evacuated from the Franciscan hospital in Nova Bila via Kiseljak with UNPROFOR [UN Protection Forces] mediation.

[Sagolj] At today's Medjugorje meeting between Mate Granic, the Croatian vice premier and foreign affairs minister, and Jadranko Prlic, the prime minister of the Croat republic of Herceg-Bosna, and representatives of international humanitarian organizations, an agreement has been reached that the Croat and Muslim side start exchanging their POW's on Tuesday [19 October]. More than 1,200 persons will be exchanged on Tuesday and Wednesday. Following the meeting Granic and Prlic addressed relatives of the Croats held as POW's in Konjic and other places, and stated among other things:

[Granic] We have agreed that the exchange will take place on Tuesday and Wednesday. At this moment, the Croatian side is completely ready, international organizations are completely ready. This evening I will have talks with [Bosnian Foreign] Minister Silajdzic who has confirmed that he himself will come to Konjic to witness the exchange. At this moment, nothing hampers the exchange; as you said we had a meeting in the HVO [Croatian Defense Council] headquarters, who will do everything for a complete cease-fire and for the exchange to proceed smoothly.

[Prlic] The complete readiness of our side and international organizations exists. There are also guarantees by the Muslim side that they will act in accordance with what has been agreed, and that the process of exchange will really start on Tuesday or Wednesday.

[Granic] Regarding the wounded people, we have had talks in the HVO headquarters: The most important conclusion being that the Croatian side will create no obstacles. [passage omitted]

Croatian Attacks on Southern RSK Intensify

LD1710135493 Belgrade TANJUG in English 1334 GMT 17 Oct 93

["Pool" item]

[Text] Belgrade, October 17 (TANJUG)—The army of the former Yugoslav Republic of Croatia has intensified fire on southern parts of the republic of Serb Krajina (RSK), which is the U.N. Protected Area (UNPA), the RSK news agency ISKRA reported on Sunday [17 October].

Croatian forces on Saturday night opened artillery fire in the wider regions of Obrovac, Vrlika and Drnis in the UNPA sector south, ISKRA quoted a statement by the RSK army command as saying.

Croatian provocations were on Saturday also reported in the regions of Lika and Banija in sector north, said the news agency.

The RSK army returned fire after attacked, it added.

The RSK was proclaimed in 1991 in parts of Croatia where Serbs make up the majority population in response to Croatia's violent secession from the former Yugoslav federation and reduction of their national and civil rights.

In spite of the fact that the U.N. Security Council placed the RSK territory under its protection in March 1992, Croatia has so far launched three offensives on the RSK territory with the aim of imposing its majority there by force.

In the latest aggression, in early September, the Croatian army brutally massacred about 70 Serbs, mostly civilians, and burned or levelled to the ground 11 Serb villages in the central part of the RSK.

The U.N. Protection Force (UNPROFOR) said in a report that the Croatian army had practiced in its latest offensive a comprehensive scorched earth policy.

AIDS Reaches 'Disconcerting Proportions'

LD1510114093 Belgrade TANJUG Domestic Service in Serbo-Croatian 0928 GMT 15 Oct 93

[Text] Belgrade, 15 Oct (TANJUG)—AIDS is spreading in Croatian towns, especially in the areas where Bosnian refugees are accommodated, well informed sources in Split announced today.

So far 89 cases have been registered and 36 have died. The same sources claim that there are tens of thousands of infected people.

It is claimed that citizens of Split and Zagreb are at the highest risk because many girls and women, as well as men, are forced to work as prostitutes—especially refugees, who number 43,320 in the Split area.

Furthermore, there are the most drug addicts in these two cities—2,554 registered in Split and 1,170 in Zagreb—but their exact number is estimated to be 10 times higher, the same sources announced, citing official police reports.

Croatian media claims that AIDS is transmitted by UNPROFOR [UN Protection Forces] members—whose largest bases in Croatia are in Split and Zagreb—because they have not been tested, although assurances have been given that they have been. Four UNPROFOR members died of AIDS in the past nine months.

The "AIDS prevention program," which the Croatian Government has announced, confirms that the spreading of the deadly disease has acquired disconcerting proportions in Croatia.

Policemen To End Strike, Continue Protest

AU1410214293 Ljubljana Radio Slovenia Network in Slovene 2100 GMT 14 Oct 93

[Text] In adherence to the new law, the policemen will no longer strike as of tomorrow. They will, however, consider other forms of protest. It might happen that they will also call for the resignation of Interior Minister Bizjak.

Parliament Debates NATO Membership

AU1510185293 Ljubljana Radio Slovenia Network in Slovene 1430 GMT 15 Oct 93

[Text] Today, the deputies of the State Chamber have not finished the debate about the proposed resolution on national security directives from the viewpoint of defense, security, and rescue. After the deputies failed to pass the amendment by Vika Potocnik [the Liberal Democratic Party] that was also supported by the Defense Commission, deputy Ivan Sisinger [the United List] asked for a one hour break during which he and another 10 deputies would draft amendments to the remaining chapters of the above mentioned resolution. In light of the decision that the chamber will only work until 1400, Chairman Vladimir Topler interrupted the session. It is not known yet when the session will continue, however, it is almost certain that it will not be next week. Robert Skerjanc reports:

[Begin Skerjanc recording] Just as yesterday, we witnessed an extensive general debate about the resolution today, especially about Article 12 of the first chapter, which speaks of our foreign affairs orientation and integration into collective security systems, and by this, also in the European [word indistinct] and NATO.

Dimitrij Rupel [the Democratic Party] pointed out that the resolution is brimming with phrases but lacks actual data. He assessed that the government probably lacks any real vision. He warned that we do not have any assessment as to how the world perceives Slovenia.

In the opinion of Joze Jagodnik [the United List] the expert opinions on the resolution are rather divided. He also warned that the resolution does not sufficiently take into consideration the experiences gained in armed resistance during the times when Slovenia was gaining its independence.

Regarding membership in NATO, most deputies warned that we need clear answers as to what impact will this have on our country, what portion of sovereignty will we have to transfer to the military alliance, and how much money will go for payment of the membership fee.

Dr. Joze Pucnik, representative of the Democrats [title as heard], was of the opinion that the resolution contains good guidelines that we will need to constantly update parallel to the changes in the world. Regarding foreign policy, he said that we cannot change it, but must adjust to it.

Defense Minister Janez Jansa intervened in the debate on several occasions. In his opinion, a decision to integrate into NATO means a decision on our aims, only following which the debate can begin. He stressed that membership would also save money and bring a stable economic position as NATO members by no means belong among the so-called risky states for investments. He, therefore, concurred with the majority of speakers that the Slovene citizens take a stance on this issue at a referendum. He was opposed to the proposal to form a special parliamentary expert group to deal with this issue. He was of the opinion that the three basic forums that have dealt with such issues so far are sufficient.

Jansa also drew attention to some criticism, coming primarily from the opposition ranks, that wondered how it could have happened, bearing in mind that the parliament is only discussing this topic now, that, already, the government had requested Slovenia's observer status in the NATO Council for Cooperation, which is a sort of waiting room for full-fledged membership yesterday. At the same time, the government yesterday also announced that Slovenia would join the Parliamentary Assembly of the West European Alliance [WEU].

After the general debate, the deputies discussed concrete amendments. The chapter regarding integration into NATO was supplemented by including integration into the WEU as NATO's European stronghold among the goals. The participation of the Slovene Armed Forces in peace operations on the territory of the former Yugoslavia has been ruled out.

After the amendment suggesting that all chapters, with the exception of the introductory general chapter, be omitted had not been passed, Ivan Sisinger demanded a break, as his party did not have the time to prepare amendments to the remainder of the resolution. Because the State Chamber decided that deputies would only work until 1400 today, the session has been interrupted. When they will continue the debate on this issue is not known yet. [end recording]

Ministry Raises Charges Against Editor

94BA0001C Ljubljana SLOVENEC in Slovene 24 Sep 93 p 4

[Unattributed article: "The Defense Ministry Has Charged MLADINA Editor Robert Botteri"]

[Text] Ljubljana—Yesterday, at the public prosecutor's office in Ljubljana, the Defense Ministry filed criminal charges against Robert Botteri, managing editor of the MLADINA magazine, because of grounds to suspect that he had seriously harmed the honor and good name of the Slovene Defense Ministry.

"The following untrue assertions were made in the latest issue of MLADINA, on the third page, in the 'Cries and Whispers' column: 'In 1992 Hasan Cengic, an authorized arms purchaser for the Bosnian Government, paid N. Z. (called Baletnik [ballet dancer] in VIS's dossiers,

and otherwise a Croatian citizen) $4,500,000 to purchase arms for the needs of Bosnia-Herzegovina's Army. N.Z. was in direct contact with Slovene Defense Minister Janez Jansa and his authorized representative, Ludvik Zvonar, the head of logistics at the Defense Ministry. Hasan Cengic requested that the Slovene Defense Ministry deliver the weapons to locations, a list of which he suggested, the ministry complied with the request, and charged $1,700,000 for its logistical services.'

"There are three provably false assertions in that quotation. The Defense Ministry never concluded any business with Hasan Cengic in connection with weapons. The government of Bosnia-Herzegovina did not authorize Hasan Cengic to deal in weapons in Slovenia. Furthermore, Mr. Ludvik Zvonar, during the time in question, was not the director of the logistics administration at the Defense Ministry.

"MLADINA's editors and reporters did not verify the assertions with which they are charged before publication with the proper office at the Defense Ministry. The article in the 'Cries and Whispers' column was published without a signature, and consequently the ministry, under article 27 of the Slovene criminal code, filed criminal charges against managing editor Robert Botteri because of grounds to suspect the commission of the criminal act of injurious accusation under section 3 of article 108 of the Slovene criminal code in connection with the first and second paragraphs of that article," the Defense Ministry justified the charges.

Federal

Cot Protests to Army for Armed Incident

AU1510193593 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 15 Oct 93

[Text] General Jean Cot, UNPROFOR [UN Protection Forces] commander for former Yugoslavia, has sent an official protest to a representative of the General Staff of the Army of the so-called Yugoslavia in response to the incident that took place on 9 October on the Danube's Batina Bridge [in Croatia].

The UNPROFOR report says the incident took place when a group of 16 armed members of the Serbian security [obezbedjenje] used force to cross the Batina Bridge from the territory of the so-called Yugoslavia and attacked UNPROFOR members who were controlling the crossing toward the zone under the protection of United Nations in Croatia. Three Belgian soldiers were wounded. Jean Cot pointed out that on the basis of Resolution 769 of 7 August 1993, UNPROFOR has the mandate to prevent the movement of armed persons (?from) the warring sides' territories under the protection of peace forces and that the so-called Yugoslavia is obliged to cooperate in implementing this task.

Government To Ask UN To Explain Resolution

LD1510200693 Belgrade TANJUG in English 1841 GMT 15 Oct 93

["Pool" item]

[Text] Belgrade, Oct 15 (TANJUG)—A Yugoslav Government committee on cooperation with the UNPROFOR (U.N. Protection Force) decided on Friday [15 October] to seek an immediate explanation from the U.N. why Resolution 871 officially called Yugoslavia to cooperate towards the full implementation of the peace plan, the Information Ministry announced.

A request for an explanation why Resolution 877 calls especially the Federal Republic of Yugoslavia (F.R.Y.) to cooperate will heed [as received] also a report by U.N. Secretary General Butrus Butrus-Ghali on the basis of which the said resolution was carried. Butrus-Ghali's report—which provides for dividing the UNPROFOR's mandate into three parts: for Croatia, Bosnia-Herzegovina, and the F.Y.R.M. (the Former Yugoslav Republic of Macedonia)—does not mention either the F.R.Y. or the UNPROFOR (its status, mandate and presence [word indistinct] F.R.Y., says the ministry announcement.

The announcement points out that in this way the F.R.Y. is not questioning its readiness to cooperate with U.N. peacekeepers on the basis of the Vance plan.

The Vance plan pertains to the settlement of the dispute between Croatia and the republic of Serb Krajina (RSK) which was proclaimed an 'UNPA' (U.N.-Protected Area) in the spring of last year, after the Croatian army in its secessionist war killed at least 14,000 Serb civilians.

Resolution 871 extends the UNPROFOR's mandate until the end of next March and divides it into three parts: for the ex-Yugoslav Republic of Croatia, the ex-Yugoslav Republic of Bosnia-Herzegovina, and the ex-Yugoslav Republic of Macedonia (F.Y.R.M.), calling to cooperation all the parties concerned, the F.R.Y. in particular.

Among the different interpretations of the text of this resolution, one (?associated) the lifting of U.N. sanctions against the F.R.Y. with a settlement of the RSK-Croatia dispute.

Parties Reportedly Form Paramilitary Units

AU1510135193 Belgrade POLITIKA in Serbo-Croatian 7 Oct 93 p 13

[Report by Radovan Pavlovic: "Are the Parties Arming?"]

[Text] It sounds as a paradox, but those who were severely condemning any thought that illegal military troops might exist in Yugoslavia, are now accusing one another of having military structures in their parties.

Do any paramilitary formations really exist in Yugoslavia, or are those alleged armed formations within parties only an alibi for them to finally square accounts with one another?

According to statements, it seems that the issue has to do with both possibilities.

Chronologically seen, the "armies" within the parties came to light at the moment when the Socialist Party of Serbia [SPS] dissociated itself from Vojislav Seselj in its well-known statement calling him petty politician from Sarajevo, and also mentioning Seselj's participation in, and contribution to, the organization of paramilitary formations in the republic of Srpska and the republic of Serbian Krajina, as well as atrocities against civilians committed by the radical troops.

In a duel between Seselj and Dragomir Draskovic, leader of the Association of Communists-Movement for Yugoslavia [SK-PY], that took place later, severe accusations were exchanged, alleging that, at that moment, both parties had armed followers ready to use even non-parliamentary ways and means to take power.

Alarming Data

Suspicions that some parties in Yugoslavia are arming, and even organizing themselves following a military scheme, are corroborated by data coming from military circles. Military sources say that there are now around 70,000 illegal troops in Yugoslavia. It is also said that this number comprises ethnic Albanians who have 42,000 secretly armed troops, Muslims with around

12,000, while the remaining 16,000 paramilitary troops are members of various Yugoslav parties.

Military sources assess that even those troops in Serbia are members of the Serbian Radical Party [SRS]. Most of them are former volunteers having fought on battlefields in Krajina and the republic of Srpska, who have returned to their homes under various names, mostly as chetnik units, to enjoy a well-deserved leave. Of course, the majority of them have retained weapons (pistols, automatic guns, and sometimes even the famous hand grenades called "kasikara").

The armed members of the SRS generally wait for new engagements on battlefields, which generally happen when the Croatian Army conducts some new raid on the territory of the Serbian Krajina.

Seselj, the leader of the Serbian radicals, categorically claims that his party has no paramilitary formations. According to him, earlier, volunteers hurried to help out the Serbs in Knin. However, according to Seselj, they were always under the command of the regular army and police forces of Serbian Krajina, or the army of the republic of Srpska.

Moreover, Seselj claims that it is the Serbian socialists who have paramilitary troops, and that the SRS has reliable information that will be made public very soon.

According to Seselj, the Serbian Renewal Movement [SPO] also used to have illegal troops (this party categorically denies the allegation), but, after Giska was murdered, their troops have been taken over by the Counterintelligence Service. Seselj claims that there are even 350 well-armed men among the lines of the SK-PY. "Under the sponsorship of the Komet firm, that party armed its members, while the official story is they are the members of security service," Seselj says.

Where Are the Weapons of Various Guards?

SK-PY officials deny the allegations of the leader of the radicals. They state that the Komet holding company, being composed of seven subsidiary firms, really exists. Milivoje Tomasevic, director of Komet, says that the company is engaged in wholesale trade (Komet-Trade Enterprise), they also own bakeries, restaurants, confectioneries, and even the Usce medical center.

Of course, there is also the firm of Komet-Team, that is engaged in providing security services to banks and embassies. "Each of our 350 men is armed with a pistol and an automatic gun," Tomasevic explains, underlying that everything that Komet is engaged in is legal, the company is registered and authorized for such work. Komet men are also furnished with modern equipment, radio transmitters, and cars.

Draskovic, the leader of the SK-PY, believes that the problem of the paramilitary organizations of the parties is somewhat exaggerated. "All assertions have been exaggerated. Even volunteers have been considered as paramilitary formations," Draskovic says. Still, he maintains that the SPO and SRS are arming their members. He says that it has been noticed that, in the surroundings of Kragujevac, the followers of the SPO are carrying out some maneuvers.

As for the radicals, he says they have the most compact military organization, while the armed men of SPO are the next best.

It is interesting to emphasize that while Danica and Vuk Draskovic were imprisoned, a group of men in uniforms calling themselves members of the Iron Regiment from Nis were on hunger strike in Nis. Somehow, at the same time in this part of Serbia, rumors started circulating that the radicals also had their own troops. This conclusion has been drawn after Branislav Vakic, representative in the Federal Assembly, issued an announcement in Nis inviting his veteran fighters to immediately gather for consultations at headquarters. Thereafter the rumors began to circulate in Nis that, in the nearby mountains, some parties have been training their troops.

Of course, it is not only the politically influential parties that have been denounced for having organized paramilitary units. Warlord Sinisa Vucinic and his Serbian Hawks have also been mentioned—he threatened to settle the situation in northern Serbia in his own way, that is to say, with retaliation against UNPROFOR [UN Protection Forces] soldiers; 100 blue helmets should be executed in Krajinas for each dead Serb—as well as the White Eagles led by Mirko Jovic, the soldiers of Dragoslav Bokan, certain red berets led by Captain Dragan and armed by the Ministry of Internal Affairs of Serbia....

Of course, the list of various armies that were fighting in Croatia and Bosnia-Herzegovina under bombastic names is quite long. However, the interest in them is gone, because it is believed that most of them were disbanded when they returned from the front, and so represent no serious threat any longer.

In the exchange of denunciations among the parties, the volunteers led by Zeljko Raznatovic, Arkan, have still been spared for the time being. His Serbian Volunteer Guard, as well as the guard led by Branislav Lainovic Dugi have not been called in question yet. It is well-known that the "Tigers" [nickname for Arkans's fighters] were fighting in Slavonia, Baranja, that they gave assistance to Serbs in Krajina during the Croatian aggression, but it is not known whether the members of the Serbian Volunteer Guard have cast off their weapons and uniforms thereafter.

Serbia

'Special Measures' Taken To Fight 'Terrorists'

AU1510203493 Belgrade RTB Television Network in Serbo-Croatian 1830 GMT 15 Oct 93

[Text] The Ministry of Internal Affairs has informed the Serbian Government of special measures it had taken

following increasingly frequent provocations, pressure, and blackmail by the Albanian terrorists aimed especially against the members of the Association of Albanians, Serbs, Montenegrins, and Other Citizens of Kosovo and Metohija who Favor Undivided Serbia and Yugoslavia.

On 8 October Valentin Nikolj Bibaj was captured on the border crossing with Hungary, near Kanjiza, attempting to escape illegally, and was handed over to the legal authorities. On 25 September 1993 he killed Kolj Nikolj Bibaj from Brekovac—a member of the association and a prominent activist of the Socialist Party of Serbia in Djakovica—with two shots aimed at the terrace of his house.

The government concluded that the Ministry of Internal Affairs of the Republic of Serbia should intensify operations to find persons who have threatened the safety of the members of the Kosovo and Metohija association for undivided Serbia and Montenegro [title as heard], their families, and their property.

All residents of Kosovo and Metohija must be given adequate protection from increasingly brutal Albanian terrorist and separatist attacks, in order to maintain peace and the conditions necessary for a normal life.

'White Rose' Hints at Lifting of Danube Blockade

AU1710210093 Novi Sad TVNS Television Network in Serbo-Croatian 1830 GMT 17 Oct 93

[Report by Mileva Tomic]

[Text] [Announcer] Out of 142 convoys that have sailed on the Danube River since the introduction of the blockade, only 18 of them had permission from the UN Committee for Sanctions. This was stated today by the representatives of the headquarters for the Blockade of the Danube, explaining their request to the Security Council to examine the legitimacy of the sailing of foreign ships through the sector under the blockade. According to them, this would at the same time lead to the lifting of the blockade in the near future.

[Tomic] The headquarters, set up by the nongovernment organizations White Rose and New Byzantine, indicated today for the first time in the last three months since the beginning of the blockade of the Danube a possibility that the blockade may be lifted. The headquarters has sent a letter to the Security Council with a request to stop the violation of Resolution 820—that is, the illegal transportation of strategic raw materials via the Danube.

[Radomir Miljanic, president of the White Rose Organization] First of all, we are asking the Security Council to set up a commission—as we have demanded several times in the past—to examine what is happening in this zone of the Danube at Belgrade that is under the blockade. We proposed that, when the commission is set up to examine the situation, we would, in a way, freeze our blockade. This means that we will wait. The blockade will consist of only warning inspections until we see what the findings of the commission are and until we are finally convinced that the waiting period for issuing permissions will indeed be only seven days.

[Tomic] We recorded this statement during the transit of three Ukrainian convoys, which the headquarters of the Committee for Blockade allowed to pass after an agreement was reached according to the tonne-for-tonne principle.

[Jovica Vlahovic, commander of the headquarters for the Blockade of the Danube] A few minutes ago, we signed an agreement aboard the ship Astrahan. According to the agreement, they guarantee us that for their 300,000 tonnes, which should pass through here in the next 15 days—and they have 15 convoys going up and down the stream today; tonight we expect another three to four convoys—that they will give us a tonne for a tonne of UN permissions in 15 days. [sentence as heard]

[Tomic] According to similar agreements with relevant organs of Bulgaria, Austria, and Romania, the headquarters has already secured more than 100,000 tonnes of humanitarian material, whose import was approved by the Security Council Committee for Sanctions in a very short period of time. The headquarters has interpreted this and the fact that the United Nations has recently reviewed the problem of the blockade of the Danube as an indication of change in the world organization's stand on this issue and as a possibility of the blockade being lifted in the near future.

Macedonia

Transportation Minister Survives No-Confidence Vote

AU1610132093 Skopje MIC in English 15 Oct 93

[Unattributed report: "Minister Pesev Keeps His Seat"]

[Text] Following a long dispute over the manner of voting, the interpellation for the Minister of Transport, Urbanism, and Ecology Anthony Pesev, submitted by VMRO-DPMNE [Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity] at yesterday's parliament session did not pass.

The VMRO-DPMNE delegates left the hall without voting in protest against the absolute majority of 61 votes necessary for a vote of no-confidence for the Minister Pesev. Instead, they demanded that the interpellation be passed with only a necessary simple majority of the present delegates or 41 votes.

This party severely criticized the Minister for illegally building the refugee camp in Gjorce Petrov, which was declared unconstitutional also by the Constitutional Court of Macedonia. The delegate Lazarevska spoke of

Pesev's incompetence due to which many laws have still not been adopted, particularly in the field of air traffic and radio diffusion.

The Albanian parties PDP [Party for Democratic Prosperity] and NDP [People's Democratic Party] said that the Ministry had a discriminating attitude toward the Albanians, particularly in the field of unlicensed construction. According to them, mostly the Albanian houses constructed without license are being pulled down, and not those of the Macedonians. They also criticized the Ministry for not giving a license to the air company Ilirija Air owned by an Albanian.

In his defense, Minister Pesev said that they were using lies to discredit persons and their work without any arguments. He emphasized that a year is not enough time to do much in a field in which the problems had been stacking up for years. Pesev dismissed as completely unfounded the PDP and NDP claims of discrimination against the Albanian population and the VMRO-DPMNE attacks on his responsibility for the chaos in the air traffic and radio diffusion.

Paper Claims Negotiations With Greece To Resume

AU1610132793 Skopje MIC in English 15 Oct 93

[Unattributed report: "Negotiations To Resume 25 October"]

[Text] The direct negotiations between Athens and Skopje will resume in New York on 25 October.

According to MAKFAKS, this was published in yesterday's edition of the independent Greek newspaper TO ETNOS quoting sources close to Cyrus Vance, the mediator in the negotiations between Greece and Macedonia.

Citing diplomatic circles at UN Headquarters, TO ETNOS claimed that Butrus-Ghali and Cyrus Vance are for the negotiations to continue according to the Security Council's decision. This independent newspaper claims that Ghali and Vance are against the platform of the negotiations to be divided, that is, to discuss the name separately from the trust building measures.

Ghali and Vance will immediately voice their stand before the Greek side, TO ETNOS writes, emphasizing that Washington, Paris, and London are firmly for the continuation of the negotiations.

EBRD Official Announces Financial Aid

AU1610132193 Skopje MIC in English 15 Oct 93

[Unattributed report: "Transition Can Begin"]

[Text] The Director of the sector of the European Bank for Reconstruction and Development for Macedonia Stijn Albregts stated in Skopje today that the help for Macedonia for the projects of this international financial institution should begin by the end of this year, or for six months at the latest.

He explained that a coordination for help to Macedonia has been formed among the world finance institutions and that the condition for a quick delivery of the funds is the payment of Macedonia's debt toward the World Bank.

With that aim, according to Albregts, a group of countries which will help the Republic has been formed.

"We are undertaking these activities with a sense of urgency because we think that the help for Macedonia particularly under the tightening of the sanctions is of great importance. We are working very hard to start with four different projects to increase the capacities of Macedonia in the foreign exchange, at the same time to reduce imports which burden the economy. Our conclusion is that we have a feeling that compared with other countries in Eastern Europe, Macedonia has shown to be a very dynamic country. Macedonia will be able to make a quick transition assuming that the political situation will not turn into conflict with neighbors."

DPRK Gives Recognition to Constitutional Name

AU1610131893 Skopje MILS-NEWS in English 15 Oct 93

[Unattributed report: "Draft Protocol for Diplomatic Relations"]

[Text] On his visit to Macedonia the Korean Ambassador Rju Se Ung informed President Kiro Gligorov that the Government of Democratic People's Republic of Korea adopted a decision for the recognition of Macedonia under its constitutional name. In the discussion with the Foreign Minister Stevo Crvenkovski the bilateral relations and the draft protocol for the establishment of diplomatic relations between the two countries were on the agenda.

Montenegro

Britain To Use 'Influence' To Ease Sanctions

LD1510214993 Belgrade TANJUG in English 2035 GMT 15 Oct 93

[Text] Podgorica, Oct 15 (TANJUG) - Britain is ready to exert its influence on international organizations, primarily humanitarian, to ease economic sanctions against Montenegro because of the Yugoslav Republic's constructive contribution to the peace process in the former Yugoslavia, Senior Official at the British Foreign Office Alan Charlton said on Friday [15 October].

During the talks with Montenegrin Prime Minister Milo Djukanovic, Charlton said Britain wanted to encourage the democratic evolution in Montenegro, the republic's foreign ministry announced.

In May last year, the U.N. Security Council imposed sanctions on the Federal Republic of Yugoslavia, comprising Montenegro and Serbia, because of its alleged aggression on Bosnia-Herzegovina. It ignored the fact that not a single soldier of the Yugoslav Army is present there and that the war is being waged between Bosnia's three constituent nations—Moslems, Serbs and Croats.

Kosovo

Rugova Welcomes U.S.-Albanian Military Memorandum

AU1610153393 Tirana ATA in English 0917 GMT 16 Oct 93

[Text] Prishtina, October 16 (ATA)—"The division of Kosova is unacceptable because Kosova has its own territorial and historic integrity and identity," president of the republic of Kosova, Ibrahim Rugova, said at his press conference in Prishtina on October 15.

He considered some theses heard recently among several Belgrade and other circles about some division of Kosova as very dangerous. He said that the basis for the solution to the Kosova question is the expressed will of the Kosovar people in the referendum and hailed the commitment of the international diplomacy that the Kosova problem be examined and solved as part of the global solutions on former Yugoslavia. Rugova considered the increasing Serb violence and terror in Kosova as an expression of the Serbian regime's nervousness because of raising the Kosova question in the international institutions and associations. Also, the Serbian propaganda against Kosova, Rugova said, has recently manifested repressive tones and aims to misinform the local and international public opinion. He appealed that under the recent situation, with Kosova remaining with no media in the Albanian language, the mass media in the world report on Kosova as much as possible.

President Rugova also hailed the latest Amnesty International report on the situation in Kosova, which makes evident violations of the rights of the ethnic Albanians by the Serbian regime and draws attention to the increasing tension.

Replying to reporters about the signing of the memorandum of military understanding between Albania and the United States of America, President Rugova said that he considers the signing of this military memorandum as part of the cooperation between the United States of America and Albania and this is very important for Albania and the region.